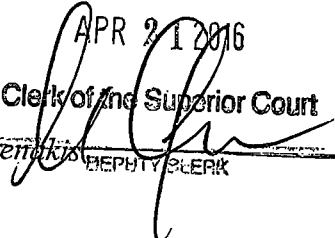


Exhibit A

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FILED
SAN MATEO COUNTY

APR 21 2016
Clerk of the Superior Court
By  DEPUTY CLERK

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Counsel for Plaintiffs George Cohen, David Moss, and Roxanne Xenakis

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF SAN MATEO

12 GEORGE COHEN, DAVID MOSS and
13 ROXANNE XENAKIS, Individually and on
14 Behalf of All Others Similarly Situated,

Plaintiffs,

vs.

16 SUNRUN INC., LYNN JURICH, ROBERT
17 KOMIN, EDWARD FENSTER, JAMESON
18 MCJUNKIN, GERALD RISK, STEVE
19 VASSALLO, RICHARD WONG, CREDIT
20 SUISSE SECURITIES (USA) LLC, GOLDMAN,
21 SACHS & CO., MORGAN STANLEY & CO.
22 LLC, MERRILL LYNCH, PIERCE, FENNER &
23 SMITH, INCORPORATED, RBC CAPITAL
24 MARKETS, LLC, KEYBANC CAPITAL
25 MARKETS INC., and SUNTRUST ROBINSON
26 HUMPHREY, INC.,

Defendants.

Case No.

CIV538304

**CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE SECURITIES ACT
OF 1933**

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

FILE BY FAX

1 Plaintiffs George Cohen, David Moss, and Roxanne Xenakis ("Plaintiffs"), individually, and on
 2 behalf of all others similarly situated, by Plaintiffs' undersigned attorneys, for Plaintiffs' Complaint
 3 against Defendants, alleges the following based upon personal knowledge as to Plaintiffs and Plaintiffs'
 4 own acts, and upon information and belief as to all other matters, based on the investigation conducted by
 5 and through Plaintiffs' attorneys, which included, among other things, a review of Sunrun Inc. ("Sunrun"
 6 or the "Company") press releases, Securities and Exchange Commission ("SEC") filings, analyst and
 7 media reports, and other commentary, analysis, and information concerning Sunrun and the industry
 8 within which it operates. Plaintiffs' investigation into the matters alleged herein is continuing and many
 9 relevant facts are known only to, or are exclusively within the custody and control of, the Defendants.
 10 Plaintiffs believe that substantial additional evidentiary support will exist for the allegations set forth
 11 herein after a reasonable opportunity for formal discovery.

12 NATURE AND SUMMARY OF THE ACTION

13
 14 1. Plaintiffs bring this action under §§11, 12(a)(2), and 15 of the Securities Act of 1933 (the
 15 "Securities Act") against: (1) Sunrun; (2) certain of the Company's senior executives and directors
 16 (collectively, "Defendants") who signed the Registration Statement (as defined below) on or around
 17 August 5, 2015, for Sunrun's Initial Public Offering (the "IPO" or "Offering"); and (4) each of the
 18 underwriters of the Offering (collectively, "Defendants").

19 2. The Registration Statement contained materially incorrect or misleading statements and/or
 20 omitted material information that was required to be disclosed. Defendants are each strictly liable for
 21 such misstatements and omissions and are so liable in their capacities as signers of the Registration
 22 Statement and/or as an issuer, statutory seller, and/or offerors of the shares sold pursuant to the Offering.
 23 For all of the claims stated herein, Plaintiffs expressly disclaim any allegation that could be construed as
 24 alleging fraud or intentional or reckless misconduct.

25 3. Sunrun engages in the design, development, installation sale, ownership, and maintenance
 26 of residential solar energy systems in the United States. The Company markets and sells its products
 27 through direct channels, partner channels, mass media, digital media, canvassing, referral, retail, and field
 28 marketing.

1 4. In the IPO, the Company and the Defendants sold 17.9 million shares of common stock at
2 an offering price of \$14.00 per share, representing gross proceeds of \$251 million. The Company's
3 common stock is listed on the NASDAQ stock exchange under the ticker symbol "RUN."

4 5. Plaintiffs allege that the Registration Statement (and Prospectus incorporated therein)
5 contained materially incorrect or misleading statements, and/or omitted material information that was
6 required to be disclosed. Defendants are each strictly liable for such misstatements and omissions
7 therefrom (subject only, in the case of the Individual and Underwriter Defendants, to their ability to
8 establish a "due diligence" affirmative defense), and are so liable in their capacities as signers of the
9 Registration Statement and/or as an issuer, statutory seller, offeror, and/or underwriter of the over 17.9
10 million Sunrun shares sold pursuant to the Offering. For all of the claims stated herein, Plaintiffs expressly
11 disclaim any allegation that could be construed as alleging fraud or intentional or reckless misconduct.

12 6. Furthermore, because this case involves a Registration Statement, Defendants also had an
13 independent, affirmative duty to provide adequate disclosures about adverse conditions, risks, and
14 uncertainties. *See* Item 303 of SEC Reg. S-K, 17 C.F.R. §229.303(a)(3)(ii). Thus, Defendants had an
15 affirmative duty to ensure that the Registration Statement and the materials incorporated therein disclosed
16 material trends and uncertainties that they knew or should have reasonably expected would have a
17 materially adverse impact on Sunrun's business. Defendants failed to fulfill this obligation.

18 7. Unbeknownst to investors, however, the Registration Statement's representations were
19 materially inaccurate, misleading, and/or incomplete because they failed to disclose, *inter alia*, that the
20 Company was employing questionable sales tactics and was extremely overleveraged, particularly, using
21 highly complex and illiquid financial instruments, and as such, its growth rate was not sustainable.

22 8. Accordingly, the price of Sunrun common stock was artificially and materially inflated at
23 the time of the Offering.

24 9. Unfortunately for investors who purchased the Company's shares pursuant or traceable to
25 the Offering, however, the truth concerning the nature and extent of the problems facing the Company did
26 not begin to emerge until after the Offering.

1 10. The truth first started to emerge in late October 2015, when, among other things,
2 *SeekingAlpha* issued a report entitled *Sunrun – Financial Weapon Of Mass Destruction In The Solar*
3 *Industry* noting that Sunrun’s high debt leverage and dependence on complex financial instruments for
4 growth, stating that “[t]o address the company’s long term interest rate risk, Sunrun started in 2015 to use
5 interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the
6 syndicated term loan is only a small portion of Sunrun’s overall debt and financial hedges are expensive
7 and create counterparty risk exposures.” In addition, the article stated the following regarding Sunrun’s
8 questionable business practices:

9 It was reported that Sunrun and its contractors use aggressive sales tactics to lure large
10 amount of customers into 20-year energy purchase contracts. In the business review
11 website Yelp, customers have complained about Sunrun’s use of questionable business
12 practices including providing misleading information, hidden fees, unilateral changes to
contracts and poor customer service.

13 11. On February 10, 2016, the Company reported weaker-than-expected 4Q 2015 results,
14 reporting lower-than-expected 272 megawatts (“MW”) installations for the quarter, while guiding to 1Q16
15 installations of 180 MW.

16 12. On the same day, Barclays analyst Jon Windham downgraded the rating of Sunrun noting
17 the slowdown in installation and the rising cost of funding. Windham also noted that Sunrun’s guidance
18 was not only lower than the estimate of 214 MW, it was also below the Company’s FY2016 guidance of
19 40% year-on-year installation growth.

20 13. On March 11, 2016, Sunrun reported \$99.6 million and a 15-cent loss per share for Q4.
21 Sales rose 66% and losses shrunk compared to the year-earlier quarter. Notably, the Company plans to
22 install 285 MW of solar systems this year, a 40% increase over 2015, however, that is down from the 76%
23 growth in installations last year.

24 14. On the same day, an *Investor’s Business Daily* article entitled *Sunrun Offers ‘Draconian’*
25 *2016 View, Won’t Gouge SolarCity Market* reported that “analysts worry about . . . Sunrun’s narrowing
26 access to capital, given the market’s volatility.” The article also noted that “[f]or 2016, Sunrun sees 40%
27 growth in solar installations vs. Credit Suisse views for 78%, analyst Patrick Jobin wrote in a research
28

1 report.” Jobin further noted that it’s a rather “draconian scenario, considering the (Investment Tax Credit)
 2 has been de facto extended through 2023 and most net-metering decisions are in favor of rooftop solar.”

3 15. On this news, shares of Sunrun common stock fell from \$7.15 per share on March 10, 2016
 4 to \$6.36 per share on March 31, 2016; a drop of over 11%.

5 16. In response to those disclosures, the Company’s shares fell sharply, falling from the \$14.00
 6 issuing price to a closing price on April 19, 2016 of \$7.02; a staggering drop of 49%.

7 17. By this action, Plaintiffs, on behalf of themselves and the other Class members who also
 8 acquired the Company’s shares pursuant or traceable to the Offering, now seek to obtain a recovery for
 9 the damages they have suffered as a result of Defendants’ violations of the Securities Act, as alleged
 10 herein.

11 JURISDICTION AND VENUE

12 18. This Court has subject matter jurisdiction over the causes of action asserted herein pursuant
 13 to the California Constitution, Article VI, §10, because this case is a cause not given by statute to other trial
 14 courts. This action is not removable. The claims alleged herein arise under §§11, 12(a)(2), and 15 of the
 15 Securities Act. *See* 15 U.S.C. §§77k, 77l(a)(2), and 77o. Jurisdiction is conferred by §22 of the Securities
 16 Act and venue is proper pursuant to §22 of the Securities Act. *See* 15 U.S.C. §77v. Section 22(a) of the
 17 Securities Act explicitly states that “[e]xcept as provided in section 16(c), no case arising under this title
 18 and brought in any State court of competent jurisdiction shall be removed to any court of the United States.”
 19 *Id.* Section 16(c) refers to “covered class actions,” which are defined as lawsuits brought as class actions
 20 or brought on behalf of more than 50 persons asserting claims under state or common law. *See* 15 U.S.C.
 21 §77p(c) and (f)(2). This action is asserting federal law claims and, thus, does not fall within the definition
 22 of “covered class action” under Securities Act §16(b)-(c) and therefore, is not removable to federal court.
 23 *See Luther v. Countrywide Fin. Corp.*, 195 Cal. App. 4th 789, 792 (2011) (“The Federal Securities Act of
 24 1933 . . . as amended by the Securities Litigation Uniform Standards Act. . . provides for concurrent
 25 jurisdiction for cases asserting claims under the 1933 Act. . . .”); *Luther v. Countrywide Home Loans*
 26 *Servicing LP*, 533 F.3d 1031, 1032 (9th Cir. 2008) (“Section 22(a) of the Securities Act of 1933 creates
 27
 28

1 concurrent jurisdiction in state and federal courts over claims arising under the Act. It also specifically
 2 provides that such claims brought in state court are not subject to removal to federal court.”).

3 19. This Court has personal jurisdiction over each of the Defendants named herein because they
 4 conduct business, were citizens of, and/or took steps to prepare the Offering in California. Additionally,
 5 Sunrun is headquartered within this County, many of the Individual Defendants are located within this
 6 County and the statements complained of herein were disseminated into this State.

7 20. Venue is proper in this Court because Defendants’ wrongful acts arose in and emanated
 8 from, in part, this County. The violations of law complained of herein occurred in this County, including
 9 the dissemination of materially misleading statements into this County, the purchase of the Company’s
 10 common stock by members of the class who reside in this County and the sale of the Company’s common
 11 stock by certain of the Underwriter Defendants (as defined below) in this County. In addition, certain of
 12 the Defendants live, are headquartered, and/or maintain offices of operations in this County.

13 **PARTIES**

14 **A. Plaintiffs**

15 21. Plaintiff George Cohen purchased shares of the Company’s common stock that were issued
 16 pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

17 22. Plaintiff David Moss purchased shares of the Company’s common stock that were issued
 18 pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

19 23. Plaintiff Roxanne Xenakis purchased shares of the Company’s common stock that were
 20 issued pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

21 **B. Defendants**

22 24. Defendant Sunrun engages in the design, development, installation, sale, ownership, and
 23 maintenance of residential solar energy systems in the United States. It also sells solar leads. The
 24 company markets and sells its products through direct channels, partner channels, mass media, digital
 25 media, canvassing, referral, retail, and field marketing. The Company conducted the Offering for its
 26 common stock on or around August 5, 2015. Sunrun’s shares are listed on the NASDAQ under the ticker
 27 symbol “RUN.” Sunrun was founded in 2007 and is headquartered in San Francisco, California.
 28

1 25. Defendant Lynn Jurich ("Jurich") was, at the time of the Offering, Sunrun's Chief
2 Executive Officer and director of the Company. Defendant Jurich signed, or authorized the signing of,
3 the false and misleading Registration Statement and Prospectus.

4 26. Defendant Robert Komin ("Komin") was, at the time of the Offering, Sunrun's Chief
5 Financial Officer ("CFO"). Defendant Komin signed, or authorized the signing of, the false and
6 misleading Registration Statement and Prospectus.

7 27. Defendant Edward Fenster ("Fenster") was, at the time of the Offering, Chairman of
8 Sunrun's Board of Directors ("BOD") and director of the Company. Defendant Fenster signed, or
9 authorized the signing of, the false and misleading Registration Statement and Prospectus.

10 28. Defendant Jameson McJunkin ("McJunkin") was, at the time of the Offering, a member of
11 Sunrun's BOD. Defendant McJunkin signed, or authorized the signing of, the false and misleading
12 Registration Statement and Prospectus.

13 29. Defendant Gerald Risk ("Risk") was, at the time of the Offering, a member of Sunrun's
14 BOD. Defendant Risk signed, or authorized the signing of, the false and misleading Registration
15 Statement and Prospectus.

16 30. Defendant Steve Vassallo ("Vassallo") was, at the time of the Offering, a member of
17 Sunrun's BOD. Defendant Vassallo signed, or authorized the signing of, the false and misleading
18 Registration Statement and Prospectus.

19 31. Defendant Richard Wong ("Wong") was, at the time of the Offering, a member of Sunrun's
20 BOD. Defendant Wong signed, or authorized the signing of, the false and misleading Registration
21 Statement and Prospectus.

22 32. Defendants Jurich, Komin, Fenster, McJunkin, Risk, Vassallo, and Wong are collectively
23 referred to herein as the "Individual Defendants."

24 33. The Individual Defendants each participated in the preparation of and signed (or authorized
25 the signing of) the Registration Statement and Prospectus. Defendant Sunrun and the Individual
26 Defendants who signed (or authorized the signing of) the Registration Statement are strictly liable for the
27 materially untrue and misleading statements incorporated into the Registration Statement. The Individual
28

1 Defendants, because of their positions with the Company, possessed the power and authority to control
2 the contents of Sunrun's reports to the SEC, press releases, and presentations to securities analysts, money
3 and portfolio managers, and institutional investors; *i.e.*, the market.

4 34. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") was an underwriter for
5 the IPO Offering. In the Offering, Credit Suisse agreed to purchase 4,296,000 Sunrun shares. Sunrun
6 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
7 District in connection with the Offering.

8 35. Defendant Goldman, Sachs & Co. ("Goldman Sachs") was an underwriter for the IPO
9 Offering. In the Offering, Goldman Sachs agreed to purchase 4,296,000 Sunrun shares. Goldman Sachs
10 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
11 District in connection with the Offering.

12 36. Defendant Morgan Stanley & Co. LLC ("Morgan Stanley") was an underwriter for the IPO
13 Offering. In the Offering, Morgan Stanley agreed to purchase 4,296,000 Sunrun shares. Morgan Stanley
14 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
15 District in connection with the Offering.

16 37. Defendant Merrill Lynch, Pierce, Fenner & Smith, Incorporated ("Merrill Lynch") was an
17 underwriter for the IPO Offering. In the Offering, Merrill Lynch agreed to purchase 2,327,000 Sunrun
18 shares. Merrill Lynch acted as a joint book-running manager for the Offering. This Defendant did
19 business within this District in connection with the Offering.

20 38. Defendant RBC Capital Markets, LLC ("RBC") was an underwriter for the IPO Offering.
21 In the Offering, RBC agreed to purchase 1,969,000 Sunrun shares. RBC acted as a joint book-running
22 manager for the Offering. This Defendant did business within this District in connection with the Offering.

23 39. Defendant KeyBanc Capital Markets Inc. ("KeyBanc") was an underwriter for the IPO
24 Offering. In the Offering, KeyBanc agreed to purchase 447,500 Sunrun shares. KeyBanc acted as a co-
25 manager for the Offering. This Defendant did business within this District in connection with the Offering.

26 40. Defendant SunTrust Robinson Humphrey, Inc. ("SunTrust") was an underwriter for the
27 IPO Offering. In the Offering, SunTrust agreed to purchase 268,500 Sunrun shares. SunTrust acted as a
28

1 co-manager for the Offering. This Defendant did business within this District in connection with the
2 Offering.

3 41. Defendants Credit Suisse, Goldman Sachs, Morgan Stanley, Merrill Lynch, RBC,
4 KeyBanc, and SunTrust are referred to collectively as the “Underwriter Defendants.”

5 42. Pursuant to the Securities Act, the Underwriter Defendants are liable for the false and
6 misleading statements in the Offering’s Registration Statement and Prospectus. The Underwriter
7 Defendants’ failure to conduct adequate due diligence investigations was a substantial factor leading to
8 the harm complained of herein.

9 43. The Underwriter Defendants are primarily investment banking houses which specialize,
10 *inter alia*, in underwriting public offerings of securities. As the underwriters of the Offering, in addition
11 to their lucrative underwriting fees, they also received an option to purchase up to 2,685,000 additional
12 shares of common stock at the public offering price, less underwriting discounts and commissions.

13 44. The Underwriter Defendants determined that, in return for substantial fees and an option
14 to purchase up to 2,685,000 additional shares, they were willing to underwrite and market Sunrun’s
15 common stock in the Offering. The Underwriter Defendants met with potential investors and presented
16 highly favorable but materially incorrect and/or materially misleading information about the Company,
17 its business, products, plans, and financial prospects, and/or omitted to disclose material information
18 required to be disclosed under the federal securities laws and applicable regulations promulgated
19 thereunder.

20 45. Representatives of the Underwriter Defendants also assisted Sunrun and the Individual
21 Defendants in planning the Offering. They also purported to conduct an adequate and reasonable
22 investigation into the business, operations, products, and plans of Sunrun, an undertaking known as a “due
23 diligence” investigation. During the course of their “due diligence,” the Underwriter Defendants had
24 continual access to confidential corporate information concerning Sunrun’s business, financial condition,
25 products, plans, and prospects.

26 46. In addition to having access to internal Sunrun corporate documents, the Underwriter
27 Defendants and/or their agents, including their counsel, had access to Sunrun’s lawyers, management,
28

1 directors, and top executives to determine: (i) the strategy to best accomplish the Offering; (ii) the terms
 2 of the Offering, including the price at which Sunrun's common stock would be sold; (iii) the language to
 3 be used in the Registration Statement; (iv) what disclosures about Sunrun would be made in the
 4 Registration Statement; and (v) what responses would be made to the SEC in connection with its review
 5 of the Registration Statement. As a result of those constant contacts and communications between the
 6 Underwriter Defendants' representatives and Sunrun's management and top executives, at a minimum the
 7 Underwriter Defendants should have known of Sunrun's undisclosed existing problems and plans, and the
 8 material misstatements and omissions contained in the Registration Statement as detailed herein.

9 47. The Underwriter Defendants caused the Registration Statement to be filed with the SEC
 10 and to be declared effective in connection with offers and sales of Sunrun shares pursuant and/or traceable
 11 to the Offering and relevant offering materials, including to Plaintiff and the Class.

12 SUBSTANTIVE ALLEGATIONS

13 **I. THE OFFERING AND THE COMPANY'S MATERIALLY MISLEADING AND** 14 **INCOMPLETE REGISTRATION STATEMENT AND PROSPECTUS**

15 48. On or around August 5, 2015, Sunrun conducted the Offering, selling 17.9 million shares
 16 of Sunrun common stock at a price to the public of \$14.00 per share. Credit Suisse, Goldman Sachs, and
 17 Morgan Stanley acted as lead book-running managers for the Offering. Merrill Lynch and RBC acted as
 18 book-running managers and KeyBanc and SunTrust acted as co-managers for the Offering.

19 49. The Registration Statement was negligently prepared and, as a result, contained untrue
 20 statements of material facts or omitted to state the facts necessary to make the statements not misleading,
 21 and was not prepared in accordance with the rules and regulations governing its preparation. Given the
 22 Individual Defendants' interest is ensuring a favorably high offering price, it is hardly surprising that the
 23 Company's Registration Statement and Prospectus incorporated therein again presented a highly positive
 24 picture of the Company's business, performance, prospects, and products, while omitting crucial realities.

25 50. The Registration Statement stated the following regarding the Company's growth:

26 We are an innovator in bringing scalable new channels for customer acquisition and solar
 27 installation to market. Historically, our primary focus towards these efforts was in building
 28 out a leading, diversified partner network of solar sales and installation companies. These
 partners include local solar installation contractors, sales and lead generation companies

1 and large retailers that help us acquire customers and build solar energy systems, while we
2 own and manage the systems and the 20-year customer experience. The ecosystem we
3 built provides broad reach, positioning us for sustained and rapid growth through a capital
4 efficient business model. Our network of partners continues to thrive and expand today.

5 * * *

6 We have experienced substantial growth in our business and operations since our inception
7 in 2007. As of March 31, 2015, we operated the second largest fleet of residential solar
8 energy systems in the United States, with approximately 79,000 customers across 13 states.
9 We have deployed an aggregate of 430 megawatts ("MW") as of March 31, 2015. As of
10 March 31, 2015, our estimated nominal contracted payments remaining was approximately
11 \$1.71 billion, and our estimated retained value was \$1.1 billion. For the quarter ended
12 March 31, 2015, the average size of the solar energy systems we installed was over 7
13 kilowatts in production capacity. Our growth has occurred despite declining incentives.
14 For example, California, our largest market, has grown more than 10x between 2008 and
15 2014 even as proceeds from California and federal incentives have declined by
16 approximately \$3.00 per watt.

17 * * *

18 Our ability to connect specialized sales and installation firms on a single platform, which
19 we license to our solar partners at no cost, allows us to enjoy the benefits of vertical
20 integration without the additional fixed cost structure. This creates margin opportunities,
21 system efficiencies and benefits from network effects in matching these ecosystem
22 participants. In 2014, we delivered customer growth of over 50% compared to 2013
23 through our solar partnerships.

24 51. The Registration Statement states the following regarding its customer agreements and its
25 dependence on a low cost of capital:

26 Our customer agreements provide for recurring customer payments, typically over 20
27 years, and the related solar energy systems are generally eligible for ITCs, accelerated tax
28 depreciation and other government or utility incentives. Our financing strategy is to
monetize these benefits at a low weighted-average cost of capital. This low cost of capital
enables us to offer attractive pricing to our customers for the energy generated by the solar
energy system on their homes. Historically, we have monetized a portion of the value
created by our customer agreements and the related solar energy systems through
investment funds. These assets are attractive to fund investors due to the long-term,
recurring nature of the cash flows generated by our customer agreements, the high credit
scores of our customers, the fact that energy is a non-discretionary good and our low loss
rates. As of March 31, 2015, our average customer under a lease or PPA had a FICO score
of over 760 and we had collected approximately 99% of cumulative billings due from
customers. In addition, fund investors can receive attractive after-tax returns from our
investment funds due to their ability to utilize ITCs, accelerated depreciation and certain
government or utility incentives associated with the funds' ownership of solar energy
systems.

52. Unbeknownst to investors or the members of the Class, however, at the time of the Offering, Defendants failed to disclose that the Company was employing questionable sales tactics and was extremely overleveraged, particularly, using highly complex and illiquid financial instruments, and as such, its growth rate was not sustainable.

III. THE TRUTH BEGINS TO EMERGE

53. On October 23, 2015, a *SeekingAlpha* article entitled *Sunrun - Financial Weapon Of Mass Destruction In The Solar Industry* reported the following:

I view Sunrun's use of no-down payment solar lease to lure large amount of customers, its high debt leverage using highly complex and illiquid financial instrument, its failure to deliver returns above its cost of capital and the interest rate/solar policy risks as the main reasons for my negative view on the stock. I see this solar leasing company a financial weapon of mass destruction in the solar industry.

54. The article further noted Sunrun's high debt leverage and dependence on complex financial instruments for growth, stating that "[t]o address the company's long term interest rate risk, Sunrun started in 2015 to use interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the syndicated term loan is only a small portion of Sunrun's overall debt and financial hedges are expensive and create counterparty risk exposures." In addition, the article stated the following regarding the Company's use of complex financial instruments:

As a solar panel leasing company, Sunrun borrows capital for the short-term in order to lend capital over the long-term (solar lease are 20 years long). Therefore Sunrun faces significant long term interest rate risk as the short term loan is typically floating rate based on LIBOR + 3-5% while Sunrun's lease income is mostly fixed (2.2% annual escalator) over the 20 year term. Therefore, Sunrun faces greater long term credit and interest rate risk than a bank does. Like a bank, Sunrun extends credit to retail customers. Sunrun customers weighted average credit score is 759 (range 572-844). Unlike a bank, Sunrun writes 20-year fixed rate lease while banks mostly write short term, fixed-rate loans. Today, bank passes most of its long-term, 30-year mortgage loan to the US government (through Fannie Mae). To address the company's long term interest rate risk, Sunrun started in 2015 to use interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the syndicated term loan is only a small portion of Sunrun's overall debt and financial hedges are expensive and create counterparty risk exposures. For the majority of the fixed-rate term loan outstanding, Sunrun still faces significant re-finance risk as these loans mature and require renewal.

55. Further, the article stated the following regarding Sunrun's questionable business practices:

It was reported that Sunrun and its contractors use aggressive sales tactics to lure large amount of customers into 20-year energy purchase contracts. In the business review

1 website Yelp, customers have complained about Sunrun's use of questionable business
2 practices including providing misleading information, hidden fees, unilateral changes to
contracts and poor customer service.

3 56. On February 10, 2016, the Company reported weaker-than-expected 4Q 2015 results,
4 reporting lower-than-expected 272 MW installations for the quarter, while guiding to 1Q16 installations
5 of 180 MW.

6 57. Barclays analyst Jon Windham downgraded the rating of Sunrun noting the slowdown in
7 installation and the rising cost of funding. Windham also noted that Sunrun's guidance was not only lower
8 than the estimate of 214 MW, it was also below the Company's FY2016 guidance of 40% year-on-year
9 installation growth.

10 58. On March 11, 2016, Sunrun reported \$99.6 million and a 15-cent loss per share for Q4.
11 Sales rose 66% and losses shrunk compared to the year-earlier quarter. Notably, the Company plans to
12 install 285 MW of solar systems this year, a 40% increase over 2015, however, that is down from the 76%
13 growth in installations last year.

14 59. On the same day, an *Investor's Business Daily* article entitled *Sunrun Offers 'Draconian'*
15 *2016 View, Won't Gouge SolarCity Market* reported that "analysts worry about . . . Sunrun's narrowing
16 access to capital, given the market's volatility." The article also noted that "[f]or 2016, Sunrun sees 40%
17 growth in solar installations vs. Credit Suisse views for 78%, analyst Patrick Jobin wrote in a research
18 report." Jobin further noted that it's a rather "draconian scenario, considering the (Investment Tax Credit)
19 has been de facto extended through 2023 and most net-metering decisions are in favor of rooftop solar."

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21 to \$6.36 per share on March 31, 2016; a drop of over 11%.

22 61. In response to those disclosures, the Company's shares fell sharply, falling from the \$14.00
23 issuing price to a closing price on April 19, 2016, of \$7.02; a staggering drop of 49%.

24 **PLAINTIFFS' CLASS ACTION ALLEGATIONS**

25 62. Plaintiffs bring this action as a class action on behalf of a Class, consisting of all those who
26 purchased the Company's preferred stock pursuant or traceable to the Company's Offering and
27 Registration Statement and who were damaged thereby (the "Class"). Excluded from the Class are
28

1 Defendants; the officers and directors of the Company at all relevant times; members of their immediate
2 families and their legal representatives, heirs, successors, or assigns; and any entity in which Defendants
3 have or had a controlling interest.

4 63. The members of the Class are so numerous that joinder of all members is impracticable.
5 While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained
6 through appropriate discovery, Plaintiffs believe that there are thousands of members of the proposed
7 Class. The members of the proposed Class may be identified from records maintained by the Company
8 or its transfer agent, and may be notified of the pendency of this action by mail, using customary forms of
9 notice that are commonly used in securities class actions.

10 64. Plaintiffs' claims are typical of the claims of the members of the Class, as all members of
11 the Class are similarly affected by Defendants' wrongful conduct.

12 65. Plaintiffs will fairly and adequately protect the interests of the members of the Class and
13 have retained counsel competent and experienced in class and securities litigation.

14 66. Common questions of law and fact exist as to all members of the Class and predominate
15 over any questions solely affecting individual members of the Class. Among the questions of law and fact
16 common to the Class are:

- 17 a. whether the federal securities laws were violated by Defendants' acts as alleged
18 herein;
- 19 b. whether the Prospectus and Registration Statement contained materially false and
20 misleading statements and omissions; and
- 21 c. to what extent Plaintiffs and members of the Class have sustained damages and the
22 proper measure of damages.

23 67. A class action is superior to all other available methods for the fair and efficient
24 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
25 damages suffered by individual Class members may be relatively small, the expense and burden of
26 individual litigation make it impossible for members of the Class to individually redress the wrongs done
27 to them. There will be no difficulty in the management of this action as a class action.
28

FIRST CLAIM
Violations of §11 of the Securities Act
Against All Defendants

68. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

69. This Claim is brought pursuant to §11 of the Securities Act, 15 U.S.C. §77k, on behalf of the Class, against each of the Defendants.

70. The Registration Statement was inaccurate and misleading, contained untrue statements of material facts, omitted facts necessary to make the statements made therein not misleading, and omitted to state material facts required to be stated therein.

71. The Company is the issuer of the securities purchased by Plaintiffs and the Class. As such, the Company is strictly liable for the materially inaccurate statements contained in the Registration Statement and the failure of the Registration Statement to be complete and accurate.

72. The Individual Defendants each signed the Registration Statement. As such, each is strictly liable for the materially inaccurate statements contained in the Registration Statement and the failure of the Registration Statement to be complete and accurate, unless they are able to carry their burden of establishing an affirmative “due diligence” defense. The Individual Defendants each had a duty to make a reasonable and diligent investigation of the truthfulness and accuracy of the statements contained in the Registration Statement, to ensure that they were true and accurate, that there were no omissions of material facts that would make the Registration Statement misleading, and that the document contained all facts required to be stated therein. In the exercise of reasonable care, the Individual Defendants should have known of the material misstatements and omissions contained in the Registration Statement and also should have known of the omissions of material fact necessary to make the statements made therein not misleading. Accordingly, the Individual Defendants are liable to Plaintiffs and the Class.

73. By reasons of the conduct herein alleged, each Defendant violated §11 of the Securities Act.

74. Plaintiffs acquired the Company’s common stock pursuant or traceable to the Registration Statement, and without knowledge of the untruths and/or omissions alleged herein. Plaintiffs sustained

1 damages, and the price of the Company's common stock declined substantially due to material
2 misstatements in the Registration Statement.

3 75. This claim was brought within one year after the discovery of the untrue statements and
4 omissions and within three years of the date of the Offering.

5 76. By virtue of the foregoing, Plaintiffs and the other members of the Class are entitled to
6 damages under § 11 as measured by the provisions of § 11(e), from the Defendants and each of them, jointly
7 and severally.

8
9 **SECOND CLAIM**
Violations of § 12(a)(2) of the Securities Act
Against All Defendants

10 77. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth
11 herein.

12 78. Defendants were sellers, offerors, and/or solicitors of purchasers of the Company's
13 securities offered pursuant to the Offering. Defendants issued, caused to be issued, and signed the
14 Registration Statement in connection with the Offering. The Registration Statement was used to induce
15 investors, such as Plaintiffs and the other members of the Class, to purchase the Company's shares.

16 79. The Registration Statement contained untrue statements of material facts, omitted to state
17 other facts necessary to make the statements made not misleading, and omitted material facts required to
18 be stated therein. Defendants' acts of solicitation included participating in the preparation of the false and
19 misleading Registration Statement.

20 80. As set forth more specifically above, the Registration Statement contained untrue
21 statements of material facts and omitted to state material facts necessary in order to make the statements,
22 in light of circumstances in which they were made, not misleading.

23 81. Plaintiffs and the other Class members did not know, nor could they have known, of the
24 untruths or omissions contained in the Registration Statement.

25 82. The Defendants were obligated to make a reasonable and diligent investigation of the
26 statements contained in the Registration Statement to ensure that such statements were true and that there
27 was no omission of material fact required to be stated in order to make the statements contained therein
28

1 not misleading. None of the Defendants made a reasonable investigation or possessed reasonable grounds
2 for the belief that the statements contained in the Registration Statement were accurate and complete in
3 all material respects. Had they done so, these Defendants could have known of the material misstatements
4 and omissions alleged herein.

5 83. This claim was brought within one year after discovery of the untrue statements and
6 omissions in the Registration Statement and within three years after the Company's shares were sold to
7 the Class in connection with the Offering.

8
9 **THIRD CLAIM**
10 **For Violations of §15 of the Securities Act**
11 **Against the Individual Defendants**

12 84. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth
13 herein.

14 85. The Individual Defendants were controlling persons of the Company within the meaning
15 of §15 of the Securities Act. By reason of their ownership interest in, senior management positions at,
16 and/or directorships held at the Company, as alleged above, these Defendants invest in, individually and
17 collectively, had the power to influence, and exercised the same, over the Company to cause it to engage
18 in the conduct complained of herein. By reason of such conduct, the Individual Defendants are liable
19 pursuant to §15 of the Securities Act.

20 86. By reason of such wrongful conduct, the Individual Defendants are liable pursuant to §15
21 of the Securities Act. As a direct and proximate result of the wrongful conduct, Class members suffered
22 damages in connection with their purchases of the Company's shares.

23 **REQUEST FOR RELIEF**

24 WHEREFORE, Plaintiffs pray for judgment as follows:

25 A. Declaring this action to be a proper class action and certifying Plaintiffs as Class
26 representatives;

27 B. Awarding Plaintiffs and the other members of the Class compensatory damages;
28

1 C. Awarding Plaintiffs and the other members of the Class rescission on their §12(a)(2)
2 claims;

3 D. Awarding Plaintiffs and the other members of the Class pre-judgment and post-judgment
4 interest, as well as reasonable attorneys' fees, expert witness fees, and other costs and disbursements; and
5

6 E. Awarding Plaintiffs and the other members of the Class such other and further relief as the
7 Court may deem just and proper.

8 **JURY TRIAL DEMANDED**

9 Plaintiffs hereby demand a trial by jury.

10 DATED: April 21, 2016

11 **SCOTT+SCOTT, ATTORNEYS AT LAW, LLP**

12 
13 **JOHN T. JASNOCH (CA BAR NO. 281605)**

14 707 Broadway, Suite 1000

15 San Diego, CA 92101

16 Telephone: (619) 233-4565

17 Facsimile: (619) 233-0508

18 jjasnoch@scott-scott.com
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1 Joseph V. Halloran (CA BAR NO. 288617)
2 **SCOTT+SCOTT, ATTORNEYS AT LAW, LLP**
3 The Chrysler Building
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5 New York, NY 10174
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9
10
11 *Attorneys for Plaintiffs George Cohen, David Moss, and*
12 *Roxanne Xenakis*
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SUM-100

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):

Sunrun Inc.
Additional defendants listed on attachment form.

YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):

George Cohen, David Moss, and Roxanne Xenakis, Individually and on
Behalf of All Others Similarly Situated

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)
ENDORSED FILED
SAN MATEO COUNTY

APR 21 2016

Clerk of the Superior Court
UNA FINAU
DEPUTY CLERK

NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. **NOTE:** The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. **AVISO:** Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 ó más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desechar el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):

Superior Court of California, County of San Mateo Southern Branch
400 County Center, Redwood City, CA 94063

CASE NUMBER:
(Número del Caso):

CIV538304

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
John T. Jasnoch, 707 Broadway, Suite 1000, San Diego, CA 92101, 619-233-4565

DATE:
(Fecha)

APR 21 2016

RODINA M. CATALANO

Clerk, by
(Secretario)

UNA FINAU

, Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)
(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

[SEAL]

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):
4. ☐ by personal delivery on (date):

Page 1 of 1

SUM-200(A)

SHORT TITLE: Cohen v. Sunrun Inc., et al.	CASE NUMBER:
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INSTRUCTIONS FOR USE

- ➔ This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- ➔ If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff
 ☒ Defendant
 ☐ Cross-Complainant
 ☐ Cross-Defendant

LYNN JURICH, ROBERT KOMIN, EDWARD FENSTER, EDWARD MCJUNKIN, GERALD RISK, STEVE VASSALLO, RICHARD WONG, CREDIT SUISSE SECURITIES (USA) LLC, GOLDMAN, SACHS & CO., MORGAN STANLEY & CO. LLC, MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED, RBC CAPITAL MARKETS, LLC, KEYBANC CAPITAL MARKETS INC., and SUNTRUST ROBINSON HUMPHREY, INC.

 Page _____ of

Page 1 of 1

CORRECTED

SUM-200(A)

SHORT TITLE: Cohen v. Sunrun Inc., et al.	CASE NUMBER: CIV538304
--	---------------------------

INSTRUCTIONS FOR USE

- ➔ This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- ➔ If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff ☒ Defendant ☐ Cross-Complainant ☐ Cross-Defendant

LYNN JURICH, ROBERT KOMIN, EDWARD FENSTER, JAMESON MCJUNKIN, GERALD RISK, STEVE VASSALLO, RICHARD WONG, CREDIT SUISSE SECURITIES (USA) LLC, GOLDMAN, SACHS & CO., MORGAN STANLEY & CO. LLC, MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED, RBC CAPITAL MARKETS, LLC, KEYBANC CAPITAL MARKETS INC., and SUNTRUST ROBINSON HUMPHREY, INC.

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): John T. Jasnoch (281605) Scott+Scott, Attorneys at Law, LLP 707 Broadway, Suite 1000 San Diego, CA 92101 TELEPHONE NO.: 619-233-4565 FAX NO.: 619-233-0508 ATTORNEY FOR (Name): George Cohen, David Moss, and Roxanne Xenakis		FOR COURT USE ONLY ENDORSED FILED SAN MATEO COUNTY APR 21 2016 Clerk of the Superior Court BY <u>UNA PINAU</u> COUNTY CLERK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF San Mateo STREET ADDRESS: 400 County Center MAILING ADDRESS: CITY AND ZIP CODE: Redwood City, CA 94063 BRANCH NAME:		
CASE NAME: Cohen v. Sunrun Inc., et al.		CASE NUMBER: CIV588304
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000) <input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)		Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)
		JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (06) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input checked="" type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
--	--	--

2. This case ☒ is ☐ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|---|--|
| a. <input checked="" type="checkbox"/> Large number of separately represented parties | d. <input checked="" type="checkbox"/> Large number of witnesses |
| b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve | e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court |
| c. <input type="checkbox"/> Substantial amount of documentary evidence | f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): 3, violations of 15 U.S.C. §§77k, 77l(a)(2), and 77o.
5. This case ☒ is ☐ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: 4/21/2016
 John T. Jasnoch

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

Attorney or Party without Attorney (Name/Address) John T. Jasnoch (CA 281605) Scott+Scott, Attorneys at Law, LLP 707 Broadway, Suite 1000, San Diego, CA 92101 Telephone: 619-233-4565 State Bar No.: CA 281605 Attorney for: Plaintiffs Cohen, Moss, and Xenakis	FOR COURT USE ONLY ENDORSED FILED SAN MATEO COUNTY APR 21 2016 Clerk of the Superior Court By <u>UNA FINAU</u> DEPUTY CLERK
SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN MATEO 400 COUNTY CENTER REDWOOD CITY, CA 94063	
Plaintiff George Cohen, David Moss, and Roxanne Xenakis	
Defendant Sunrun Inc.	
Certificate Re Complex Case Designation	Case Number CIV538304

FILE BY FAX

This certificate must be completed and filed with your Civil Case Cover Sheet if you have checked a Complex Case designation or Counter-Designation

1. In the attached Civil Case Cover Sheet, this case is being designated or counter-designated as a complex case [or as not a complex case] because at least one or more of the following boxes has been checked:
 - ☒ Box 1 – Case type that is best described as being [or not being] provisionally complex civil litigation (i.e., antitrust or trade regulation claims, construction defect claims involving many parties or structures, securities claims or investment losses involving many parties, environmental or toxic tort claims involving many parties, claims involving mass torts, or insurance coverage claims arising out of any of the foregoing claims).
 - ☒ Box 2 – Complex [or not complex] due to factors requiring exceptional judicial management
 - ☒ Box 5 – Is [or is not] a class action suit.

2. This case is being so designated based upon the following supporting information [including, without limitation, a brief description of the following factors as they pertain to this particular case: (1) management of a large number of separately represented parties; (2) complexity of anticipated factual and/or legal issues; (3) numerous pretrial motions that will be time-consuming to resolve; (4) management of a large number of witnesses or a substantial amount of documentary evidence; (5) coordination with related actions

pending in one or more courts in other counties, states or countries or in a federal court; (6) whether or not certification of a putative class action will in fact be pursued; and (7) substantial post-judgment judicial supervision]:

1, 4, and 6. This is a securities class action under the Securities Act of 1933

that charges a company, two executives, five board members, and seven underwriters with

using false and misleading statements on their August 5, 2015 Initial Public Offering.

The Defendants will obtain separate counsel, there will be a large number of witnesses, and

a substantial amount of documentary evidence, and Plaintiff will seek class certification.

(attach additional pages if necessary)

3. Based on the above-stated supporting information, there is a reasonable basis for the complex case designation or counter-designation [or noncomplex case counter-designation] being made in the attached Civil Case Cover Sheet.

I, the undersigned counsel or self-represented party, hereby certify that the above is true and correct and that I make this certification subject to the applicable provisions of California Code of Civil Procedure, Section 128.7 and/or California Rules of Professional Conduct, Rule 5-200 (B) and San Mateo County Superior Court Local Rules, Local Rule 2.30.

Dated: 4/21/2016

John T. Jasnoch

[Type or Print Name]



[Signature of Party or Attorney For Party]

NOTICE OF CASE MANAGEMENT CONFERENCE

Cohen
ENDORSED FILED
SAN MATEO COUNTY

Case No: CIV538304

vs.
Sullivan Inc
APR 21 2016

Date: 7-13-16

Clerk of the Superior Court
By UNA FINAU
DEPUTY CLERK

Time 9:00 a.m.

Dept. _____ --on Tuesday & Thursday
Dept. 21 --on Wednesday & Friday

You are hereby given notice of your Case Management Conference. The date, time and department have been written above.

1. In accordance with applicable California Rules of the Court and local Rules 2.3(d)1-4 and 2.3(m), you are hereby ordered to:
 - a) Serve all named defendants and file proofs of service on those defendants with the court within 60-days of filing the complaint (CRC 201.7).
 - b) Serve a copy of this notice, Case Management Statement and ADR Information Sheet on all named parties in this action.
 - c) File and serve a completed Case Management Statement at least 15-days before the Case Management Conference [CRC 212(g)]. Failure to do so may result in monetary sanctions.
 - d) Meet and confer, in person or by telephone, to consider each of the issues identified in CRC 212(f) no later than 30-days before the date set for the Case Management Conference.
2. If you fail to follow the orders above, you are ordered to show cause why you should not be sanctioned. The Order to Show Cause hearing will be at the same time as the Case Management Conference hearing. Sanctions may include monetary, evidentiary or issue sanctions as well as striking pleadings and/or dismissal.
3. Continuances of Case Management Conferences are highly disfavored unless good cause is shown.
4. Parties may proceed to an appropriate dispute resolution process ("ADR") by filing a Stipulation to ADR and Proposed Order (see attached form). If plaintiff files a Stipulation to ADR and Proposed Order electing to proceed to judicial arbitration, the Case Management Conference will be taken off the court calendar and the case will be referred to the Arbitration Administrator. If plaintiffs and defendants file a completed stipulation to another ADR process (e.g., mediation) 10-days prior to the first scheduled Case Management Conference, the Case Management Conference will be continued for 90-days to allow parties time to complete their ADR session. The court will notify parties of their new Case Management Conference date.
5. If you have filed a default or a judgment has been entered, your case is not automatically taken off Case Management Conference Calendar. If "Does", "Roes," etc. are named in your complaint, they must be dismissed in order to close the case. If any party is in bankruptcy, the case is stayed only as to that named party.
6. You are further ordered to appear in person* (or through your attorney of record) at the Case Management Conference noticed above. You must be thoroughly familiar with the case and fully authorized to proceed.
7. The Case Management judge will issue orders at the conclusion of the conference that may include:
 - a) Referring parties to voluntary ADR and setting an ADR completion date;
 - b) Dismissing or severing claims or parties;
 - c) Setting a trial date.
8. The Case Management judge may be the trial judge in this case.

For further information regarding case management policies and procedures, see the court's website at: www.sanmateocourt.org

*Telephonic appearances at case management conferences are available by contacting CourtCall, LLC, an independent vendor, at least five business days prior to the scheduled conference (see attached CourtCall information).

1 SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
2 JOHN T. JASNOCH (CA. BAR NO. 281605)
3 707 Broadway, Suite 1000
4 San Diego, CA 92101
5 Telephone: (619) 233-4565
6 Facsimile: (619) 233-0508
7 jjasnoch@scott-scott.com

8 *Counsel for Plaintiffs George Cohen, David Moss, and Roxanne Xenakis*

ENDORSED FILED
SAN MATEO COUNTY

APR 21 2016

Clerk of the Superior Court
LINA FINAU
RECEIVED

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA

10 COUNTY OF SAN MATEO

11
12 GEORGE COHEN, DAVID MOSS and
13 ROXANNE XENAKIS, Individually and on
14 Behalf of All Others Similarly Situated,

15 Plaintiffs,

16 vs.

17 SUNRUN INC., LYNN JURICH, ROBERT
18 KOMIN, EDWARD FENSTER, JAMESON
19 MCJUNKIN, GERALD RISK, STEVE
20 VASSALLO, RICHARD WONG, CREDIT
21 SUISSE SECURITIES (USA) LLC, GOLDMAN,
22 SACHS & CO., MORGAN STANLEY & CO.
23 LLC, MERRILL LYNCH, PIERCE, FENNER &
24 SMITH, INCORPORATED, RBC CAPITAL
25 MARKETS, LLC, KEYBANC CAPITAL
26 MARKETS INC., and SUNTRUST ROBINSON
27 HUMPHREY, INC.,

28 Defendants.

Case No.

CIV538304

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE SECURITIES ACT
OF 1933

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

FILE BY FAX

1 Plaintiffs George Cohen, David Moss, and Roxanne Xenakis (“Plaintiffs”), individually, and on
2 behalf of all others similarly situated, by Plaintiffs’ undersigned attorneys, for Plaintiffs’ Complaint
3 against Defendants, alleges the following based upon personal knowledge as to Plaintiffs and Plaintiffs’
4 own acts, and upon information and belief as to all other matters, based on the investigation conducted by
5 and through Plaintiffs’ attorneys, which included, among other things, a review of Sunrun Inc. (“Sunrun”
6 or the “Company”) press releases, Securities and Exchange Commission (“SEC”) filings, analyst and
7 media reports, and other commentary, analysis, and information concerning Sunrun and the industry
8 within which it operates. Plaintiffs’ investigation into the matters alleged herein is continuing and many
9 relevant facts are known only to, or are exclusively within the custody and control of, the Defendants.
10 Plaintiffs believe that substantial additional evidentiary support will exist for the allegations set forth
11 herein after a reasonable opportunity for formal discovery.

12 **NATURE AND SUMMARY OF THE ACTION**

13 1. Plaintiffs bring this action under §§11, 12(a)(2), and 15 of the Securities Act of 1933 (the
14 “Securities Act”) against: (1) Sunrun; (2) certain of the Company’s senior executives and directors
15 (collectively, “Defendants”) who signed the Registration Statement (as defined below) on or around
16 August 5, 2015, for Sunrun’s Initial Public Offering (the “IPO” or “Offering”); and (4) each of the
17 underwriters of the Offering (collectively, “Defendants”).

18 2. The Registration Statement contained materially incorrect or misleading statements and/or
19 omitted material information that was required to be disclosed. Defendants are each strictly liable for
20 such misstatements and omissions and are so liable in their capacities as signers of the Registration
21 Statement and/or as an issuer, statutory seller, and/or offerors of the shares sold pursuant to the Offering.
22 For all of the claims stated herein, Plaintiffs expressly disclaim any allegation that could be construed as
23 alleging fraud or intentional or reckless misconduct.

24 3. Sunrun engages in the design, development, installation sale, ownership, and maintenance
25 of residential solar energy systems in the United States. The Company markets and sells its products
26 through direct channels, partner channels, mass media, digital media, canvassing, referral, retail, and field
27 marketing.
28

1 4. In the IPO, the Company and the Defendants sold 17.9 million shares of common stock at
2 an offering price of \$14.00 per share, representing gross proceeds of \$251 million. The Company's
3 common stock is listed on the NASDAQ stock exchange under the ticker symbol "RUN."

4 5. Plaintiffs allege that the Registration Statement (and Prospectus incorporated therein)
5 contained materially incorrect or misleading statements, and/or omitted material information that was
6 required to be disclosed. Defendants are each strictly liable for such misstatements and omissions
7 therefrom (subject only, in the case of the Individual and Underwriter Defendants, to their ability to
8 establish a "due diligence" affirmative defense), and are so liable in their capacities as signers of the
9 Registration Statement and/or as an issuer, statutory seller, offeror, and/or underwriter of the over 17.9
10 million Sunrun shares sold pursuant to the Offering. For all of the claims stated herein, Plaintiffs expressly
11 disclaim any allegation that could be construed as alleging fraud or intentional or reckless misconduct.

12 6. Furthermore, because this case involves a Registration Statement, Defendants also had an
13 independent, affirmative duty to provide adequate disclosures about adverse conditions, risks, and
14 uncertainties. *See* Item 303 of SEC Reg. S-K, 17 C.F.R. §229.303(a)(3)(ii). Thus, Defendants had an
15 affirmative duty to ensure that the Registration Statement and the materials incorporated therein disclosed
16 material trends and uncertainties that they knew or should have reasonably expected would have a
17 materially adverse impact on Sunrun's business. Defendants failed to fulfill this obligation.

18 7. Unbeknownst to investors, however, the Registration Statement's representations were
19 materially inaccurate, misleading, and/or incomplete because they failed to disclose, *inter alia*, that the
20 Company was employing questionable sales tactics and was extremely overleveraged, particularly, using
21 highly complex and illiquid financial instruments, and as such, its growth rate was not sustainable.

22 8. Accordingly, the price of Sunrun common stock was artificially and materially inflated at
23 the time of the Offering.

24 9. Unfortunately for investors who purchased the Company's shares pursuant or traceable to
25 the Offering, however, the truth concerning the nature and extent of the problems facing the Company did
26 not begin to emerge until after the Offering.
27
28

1 10. The truth first started to emerge in late October 2015, when, among other things,
2 *SeekingAlpha* issued a report entitled *Sunrun – Financial Weapon Of Mass Destruction In The Solar*
3 *Industry* noting that Sunrun’s high debt leverage and dependence on complex financial instruments for
4 growth, stating that “[t]o address the company’s long term interest rate risk, Sunrun started in 2015 to use
5 interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the
6 syndicated term loan is only a small portion of Sunrun’s overall debt and financial hedges are expensive
7 and create counterparty risk exposures.” In addition, the article stated the following regarding Sunrun’s
8 questionable business practices:

9 It was reported that Sunrun and its contractors use aggressive sales tactics to lure large
10 amount of customers into 20-year energy purchase contracts. In the business review
11 website Yelp, customers have complained about Sunrun’s use of questionable business
12 practices including providing misleading information, hidden fees, unilateral changes to
contracts and poor customer service.

13 11. On February 10, 2016, the Company reported weaker-than-expected 4Q 2015 results,
14 reporting lower-than-expected 272 megawatts (“MW”) installations for the quarter, while guiding to 1Q16
15 installations of 180 MW.

16 12. On the same day, Barclays analyst Jon Windham downgraded the rating of Sunrun noting
17 the slowdown in installation and the rising cost of funding. Windham also noted that Sunrun’s guidance
18 was not only lower than the estimate of 214 MW, it was also below the Company’s FY2016 guidance of
19 40% year-on-year installation growth.

20 13. On March 11, 2016, Sunrun reported \$99.6 million and a 15-cent loss per share for Q4.
21 Sales rose 66% and losses shrunk compared to the year-earlier quarter. Notably, the Company plans to
22 install 285 MW of solar systems this year, a 40% increase over 2015, however, that is down from the 76%
23 growth in installations last year.

24 14. On the same day, an *Investor’s Business Daily* article entitled *Sunrun Offers ‘Draconian’*
25 *2016 View, Won’t Gouge SolarCity Market* reported that “analysts worry about . . . Sunrun’s narrowing
26 access to capital, given the market’s volatility.” The article also noted that “[f]or 2016, Sunrun sees 40%
27 growth in solar installations vs. Credit Suisse views for 78%, analyst Patrick Jobin wrote in a research
28

report.” Jobin further noted that it’s a rather “draconian scenario, considering the (Investment Tax Credit) has been de facto extended through 2023 and most net-metering decisions are in favor of rooftop solar.”

15. On this news, shares of Sunrun common stock fell from \$7.15 per share on March 10, 2016 to \$6.36 per share on March 31, 2016; a drop of over 11%.

16. In response to those disclosures, the Company’s shares fell sharply, falling from the \$14.00 issuing price to a closing price on April 19, 2016 of \$7.02; a staggering drop of 49%.

17. By this action, Plaintiffs, on behalf of themselves and the other Class members who also acquired the Company’s shares pursuant or traceable to the Offering, now seek to obtain a recovery for the damages they have suffered as a result of Defendants’ violations of the Securities Act, as alleged herein.

JURISDICTION AND VENUE

18. This Court has subject matter jurisdiction over the causes of action asserted herein pursuant to the California Constitution, Article VI, §10, because this case is a cause not given by statute to other trial courts. This action is not removable. The claims alleged herein arise under §§11, 12(a)(2), and 15 of the Securities Act. *See* 15 U.S.C. §§77k, 77l(a)(2), and 77o. Jurisdiction is conferred by §22 of the Securities Act and venue is proper pursuant to §22 of the Securities Act. *See* 15 U.S.C. §77v. Section 22(a) of the Securities Act explicitly states that “[e]xcept as provided in section 16(c), no case arising under this title and brought in any State court of competent jurisdiction shall be removed to any court of the United States.” *Id.* Section 16(c) refers to “covered class actions,” which are defined as lawsuits brought as class actions or brought on behalf of more than 50 persons asserting claims under state or common law. *See* 15 U.S.C. §77p(c) and (f)(2). This action is asserting federal law claims and, thus, does not fall within the definition of “covered class action” under Securities Act §16(b)-(c) and therefore, is not removable to federal court. *See Luther v. Countrywide Fin. Corp.*, 195 Cal. App. 4th 789, 792 (2011) (“The Federal Securities Act of 1933 . . . as amended by the Securities Litigation Uniform Standards Act. . . provides for concurrent jurisdiction for cases asserting claims under the 1933 Act. . . .”); *Luther v. Countrywide Home Loans Servicing LP*, 533 F.3d 1031, 1032 (9th Cir. 2008) (“Section 22(a) of the Securities Act of 1933 creates

1 concurrent jurisdiction in state and federal courts over claims arising under the Act. It also specifically
 2 provides that such claims brought in state court are not subject to removal to federal court.”).

3 19. This Court has personal jurisdiction over each of the Defendants named herein because they
 4 conduct business, were citizens of, and/or took steps to prepare the Offering in California. Additionally,
 5 Sunrun is headquartered within this County, many of the Individual Defendants are located within this
 6 County and the statements complained of herein were disseminated into this State.

7 20. Venue is proper in this Court because Defendants’ wrongful acts arose in and emanated
 8 from, in part, this County. The violations of law complained of herein occurred in this County, including
 9 the dissemination of materially misleading statements into this County, the purchase of the Company’s
 10 common stock by members of the class who reside in this County and the sale of the Company’s common
 11 stock by certain of the Underwriter Defendants (as defined below) in this County. In addition, certain of
 12 the Defendants live, are headquartered, and/or maintain offices of operations in this County.

13 **PARTIES**

14 **A. Plaintiffs**

15 21. Plaintiff George Cohen purchased shares of the Company’s common stock that were issued
 16 pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

17 22. Plaintiff David Moss purchased shares of the Company’s common stock that were issued
 18 pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

19 23. Plaintiff Roxanne Xenakis purchased shares of the Company’s common stock that were
 20 issued pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

21 **B. Defendants**

22 24. Defendant Sunrun engages in the design, development, installation, sale, ownership, and
 23 maintenance of residential solar energy systems in the United States. It also sells solar leads. The
 24 company markets and sells its products through direct channels, partner channels, mass media, digital
 25 media, canvassing, referral, retail, and field marketing. The Company conducted the Offering for its
 26 common stock on or around August 5, 2015. Sunrun’s shares are listed on the NASDAQ under the ticker
 27 symbol “RUN.” Sunrun was founded in 2007 and is headquartered in San Francisco, California.
 28

1 25. Defendant Lynn Jurich (“Jurich”) was, at the time of the Offering, Sunrun’s Chief
2 Executive Officer and director of the Company. Defendant Jurich signed, or authorized the signing of,
3 the false and misleading Registration Statement and Prospectus.

4 26. Defendant Robert Komin (“Komin”) was, at the time of the Offering, Sunrun’s Chief
5 Financial Officer (“CFO”). Defendant Komin signed, or authorized the signing of, the false and
6 misleading Registration Statement and Prospectus.

7 27. Defendant Edward Fenster (“Fenster”) was, at the time of the Offering, Chairman of
8 Sunrun’s Board of Directors (“BOD”) and director of the Company. Defendant Fenster signed, or
9 authorized the signing of, the false and misleading Registration Statement and Prospectus.

10 28. Defendant Jameson McJunkin (“McJunkin”) was, at the time of the Offering, a member of
11 Sunrun’s BOD. Defendant McJunkin signed, or authorized the signing of, the false and misleading
12 Registration Statement and Prospectus.

13 29. Defendant Gerald Risk (“Risk”) was, at the time of the Offering, a member of Sunrun’s
14 BOD. Defendant Risk signed, or authorized the signing of, the false and misleading Registration
15 Statement and Prospectus.

16 30. Defendant Steve Vassallo (“Vassallo”) was, at the time of the Offering, a member of
17 Sunrun’s BOD. Defendant Vassallo signed, or authorized the signing of, the false and misleading
18 Registration Statement and Prospectus.

19 31. Defendant Richard Wong (“Wong”) was, at the time of the Offering, a member of Sunrun’s
20 BOD. Defendant Wong signed, or authorized the signing of, the false and misleading Registration
21 Statement and Prospectus.

22 32. Defendants Jurich, Komin, Fenster, McJunkin, Risk, Vassallo, and Wong are collectively
23 referred to herein as the “Individual Defendants.”

24 33. The Individual Defendants each participated in the preparation of and signed (or authorized
25 the signing of) the Registration Statement and Prospectus. Defendant Sunrun and the Individual
26 Defendants who signed (or authorized the signing of) the Registration Statement are strictly liable for the
27 materially untrue and misleading statements incorporated into the Registration Statement. The Individual
28

1 Defendants, because of their positions with the Company, possessed the power and authority to control
2 the contents of Sunrun's reports to the SEC, press releases, and presentations to securities analysts, money
3 and portfolio managers, and institutional investors; *i.e.*, the market.

4 34. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") was an underwriter for
5 the IPO Offering. In the Offering, Credit Suisse agreed to purchase 4,296,000 Sunrun shares. Sunrun
6 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
7 District in connection with the Offering.

8 35. Defendant Goldman, Sachs & Co. ("Goldman Sachs") was an underwriter for the IPO
9 Offering. In the Offering, Goldman Sachs agreed to purchase 4,296,000 Sunrun shares. Goldman Sachs
10 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
11 District in connection with the Offering.

12 36. Defendant Morgan Stanley & Co. LLC ("Morgan Stanley") was an underwriter for the IPO
13 Offering. In the Offering, Morgan Stanley agreed to purchase 4,296,000 Sunrun shares. Morgan Stanley
14 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
15 District in connection with the Offering.

16 37. Defendant Merrill Lynch, Pierce, Fenner & Smith, Incorporated ("Merrill Lynch") was an
17 underwriter for the IPO Offering. In the Offering, Merrill Lynch agreed to purchase 2,327,000 Sunrun
18 shares. Merrill Lynch acted as a joint book-running manager for the Offering. This Defendant did
19 business within this District in connection with the Offering.

20 38. Defendant RBC Capital Markets, LLC ("RBC") was an underwriter for the IPO Offering.
21 In the Offering, RBC agreed to purchase 1,969,000 Sunrun shares. RBC acted as a joint book-running
22 manager for the Offering. This Defendant did business within this District in connection with the Offering.

23 39. Defendant KeyBanc Capital Markets Inc. ("KeyBanc") was an underwriter for the IPO
24 Offering. In the Offering, KeyBanc agreed to purchase 447,500 Sunrun shares. KeyBanc acted as a co-
25 manager for the Offering. This Defendant did business within this District in connection with the Offering.

26 40. Defendant SunTrust Robinson Humphrey, Inc. ("SunTrust") was an underwriter for the
27 IPO Offering. In the Offering, SunTrust agreed to purchase 268,500 Sunrun shares. SunTrust acted as a
28

1 co-manager for the Offering. This Defendant did business within this District in connection with the
2 Offering.

3 41. Defendants Credit Suisse, Goldman Sachs, Morgan Stanley, Merrill Lynch, RBC,
4 KeyBanc, and SunTrust are referred to collectively as the “Underwriter Defendants.”

5 42. Pursuant to the Securities Act, the Underwriter Defendants are liable for the false and
6 misleading statements in the Offering’s Registration Statement and Prospectus. The Underwriter
7 Defendants’ failure to conduct adequate due diligence investigations was a substantial factor leading to
8 the harm complained of herein.

9 43. The Underwriter Defendants are primarily investment banking houses which specialize,
10 *inter alia*, in underwriting public offerings of securities. As the underwriters of the Offering, in addition
11 to their lucrative underwriting fees, they also received an option to purchase up to 2,685,000 additional
12 shares of common stock at the public offering price, less underwriting discounts and commissions.

13 44. The Underwriter Defendants determined that, in return for substantial fees and an option
14 to purchase up to 2,685,000 additional shares, they were willing to underwrite and market Sunrun’s
15 common stock in the Offering. The Underwriter Defendants met with potential investors and presented
16 highly favorable but materially incorrect and/or materially misleading information about the Company,
17 its business, products, plans, and financial prospects, and/or omitted to disclose material information
18 required to be disclosed under the federal securities laws and applicable regulations promulgated
19 thereunder.

20 45. Representatives of the Underwriter Defendants also assisted Sunrun and the Individual
21 Defendants in planning the Offering. They also purported to conduct an adequate and reasonable
22 investigation into the business, operations, products, and plans of Sunrun, an undertaking known as a “due
23 diligence” investigation. During the course of their “due diligence,” the Underwriter Defendants had
24 continual access to confidential corporate information concerning Sunrun’s business, financial condition,
25 products, plans, and prospects.

26 46. In addition to having access to internal Sunrun corporate documents, the Underwriter
27 Defendants and/or their agents, including their counsel, had access to Sunrun’s lawyers, management,
28

1 directors, and top executives to determine: (i) the strategy to best accomplish the Offering; (ii) the terms
 2 of the Offering, including the price at which Sunrun's common stock would be sold; (iii) the language to
 3 be used in the Registration Statement; (iv) what disclosures about Sunrun would be made in the
 4 Registration Statement; and (v) what responses would be made to the SEC in connection with its review
 5 of the Registration Statement. As a result of those constant contacts and communications between the
 6 Underwriter Defendants' representatives and Sunrun's management and top executives, at a minimum the
 7 Underwriter Defendants should have known of Sunrun's undisclosed existing problems and plans, and the
 8 material misstatements and omissions contained in the Registration Statement as detailed herein.

9 47. The Underwriter Defendants caused the Registration Statement to be filed with the SEC
 10 and to be declared effective in connection with offers and sales of Sunrun shares pursuant and/or traceable
 11 to the Offering and relevant offering materials, including to Plaintiff and the Class.

12 **SUBSTANTIVE ALLEGATIONS**

13 **I. THE OFFERING AND THE COMPANY'S MATERIALLY MISLEADING AND** 14 **INCOMPLETE REGISTRATION STATEMENT AND PROSPECTUS**

15 48. On or around August 5, 2015, Sunrun conducted the Offering, selling 17.9 million shares
 16 of Sunrun common stock at a price to the public of \$14.00 per share. Credit Suisse, Goldman Sachs, and
 17 Morgan Stanley acted as lead book-running managers for the Offering. Merrill Lynch and RBC acted as
 18 book-running managers and KeyBanc and SunTrust acted as co-managers for the Offering.

19 49. The Registration Statement was negligently prepared and, as a result, contained untrue
 20 statements of material facts or omitted to state the facts necessary to make the statements not misleading,
 21 and was not prepared in accordance with the rules and regulations governing its preparation. Given the
 22 Individual Defendants' interest is ensuring a favorably high offering price, it is hardly surprising that the
 23 Company's Registration Statement and Prospectus incorporated therein again presented a highly positive
 24 picture of the Company's business, performance, prospects, and products, while omitting crucial realities.

25 50. The Registration Statement stated the following regarding the Company's growth:

26 We are an innovator in bringing scalable new channels for customer acquisition and solar
 27 installation to market. Historically, our primary focus towards these efforts was in building
 28 out a leading, diversified partner network of solar sales and installation companies. These
 partners include local solar installation contractors, sales and lead generation companies

1 and large retailers that help us acquire customers and build solar energy systems, while we
2 own and manage the systems and the 20-year customer experience. The ecosystem we
3 built provides broad reach, positioning us for sustained and rapid growth through a capital
4 efficient business model. Our network of partners continues to thrive and expand today.

5 * * *

6 We have experienced substantial growth in our business and operations since our inception
7 in 2007. As of March 31, 2015, we operated the second largest fleet of residential solar
8 energy systems in the United States, with approximately 79,000 customers across 13 states.
9 We have deployed an aggregate of 430 megawatts ("MW") as of March 31, 2015. As of
10 March 31, 2015, our estimated nominal contracted payments remaining was approximately
11 \$1.71 billion, and our estimated retained value was \$1.1 billion. For the quarter ended
12 March 31, 2015, the average size of the solar energy systems we installed was over 7
13 kilowatts in production capacity. Our growth has occurred despite declining incentives.
14 For example, California, our largest market, has grown more than 10x between 2008 and
15 2014 even as proceeds from California and federal incentives have declined by
16 approximately \$3.00 per watt.

17 * * *

18 Our ability to connect specialized sales and installation firms on a single platform, which
19 we license to our solar partners at no cost, allows us to enjoy the benefits of vertical
20 integration without the additional fixed cost structure. This creates margin opportunities,
21 system efficiencies and benefits from network effects in matching these ecosystem
22 participants. In 2014, we delivered customer growth of over 50% compared to 2013
23 through our solar partnerships.

24 51. The Registration Statement states the following regarding its customer agreements and its
25 dependence on a low cost of capital:

26 Our customer agreements provide for recurring customer payments, typically over 20
27 years, and the related solar energy systems are generally eligible for ITCs, accelerated tax
28 depreciation and other government or utility incentives. Our financing strategy is to
monetize these benefits at a low weighted-average cost of capital. This low cost of capital
enables us to offer attractive pricing to our customers for the energy generated by the solar
energy system on their homes. Historically, we have monetized a portion of the value
created by our customer agreements and the related solar energy systems through
investment funds. These assets are attractive to fund investors due to the long-term,
recurring nature of the cash flows generated by our customer agreements, the high credit
scores of our customers, the fact that energy is a non-discretionary good and our low loss
rates. As of March 31, 2015, our average customer under a lease or PPA had a FICO score
of over 760 and we had collected approximately 99% of cumulative billings due from
customers. In addition, fund investors can receive attractive after-tax returns from our
investment funds due to their ability to utilize ITCs, accelerated depreciation and certain
government or utility incentives associated with the funds' ownership of solar energy
systems.

52. Unbeknownst to investors or the members of the Class, however, at the time of the Offering, Defendants failed to disclose that the Company was employing questionable sales tactics and was extremely overleveraged, particularly, using highly complex and illiquid financial instruments, and as such, its growth rate was not sustainable.

III. THE TRUTH BEGINS TO EMERGE

53. On October 23, 2015, a *SeekingAlpha* article entitled *Sunrun - Financial Weapon Of Mass Destruction In The Solar Industry* reported the following:

I view Sunrun's use of no-down payment solar lease to lure large amount of customers, its high debt leverage using highly complex and illiquid financial instrument, its failure to deliver returns above its cost of capital and the interest rate/solar policy risks as the main reasons for my negative view on the stock. I see this solar leasing company a financial weapon of mass destruction in the solar industry.

54. The article further noted Sunrun's high debt leverage and dependence on complex financial instruments for growth, stating that "[t]o address the company's long term interest rate risk, Sunrun started in 2015 to use interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the syndicated term loan is only a small portion of Sunrun's overall debt and financial hedges are expensive and create counterparty risk exposures." In addition, the article stated the following regarding the Company's use of complex financial instruments:

As a solar panel leasing company, Sunrun borrows capital for the short-term in order to lend capital over the long-term (solar lease are 20 years long). Therefore Sunrun faces significant long term interest rate risk as the short term loan is typically floating rate based on LIBOR + 3-5% while Sunrun's lease income is mostly fixed (2.2% annual escalator) over the 20 year term. Therefore, Sunrun faces greater long term credit and interest rate risk than a bank does. Like a bank, Sunrun extends credit to retail customers. Sunrun customers weighted average credit score is 759 (range 572-844). Unlike a bank, Sunrun writes 20-year fixed rate lease while banks mostly write short term, fixed-rate loans. Today, bank passes most of its long-term, 30-year mortgage loan to the US government (through Fannie Mae). To address the company's long term interest rate risk, Sunrun started in 2015 to use interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the syndicated term loan is only a small portion of Sunrun's overall debt and financial hedges are expensive and create counterparty risk exposures. For the majority of the fixed-rate term loan outstanding, Sunrun still faces significant re-finance risk as these loans mature and require renewal.

55. Further, the article stated the following regarding Sunrun's questionable business practices:

It was reported that Sunrun and its contractors use aggressive sales tactics to lure large amount of customers into 20-year energy purchase contracts. In the business review

1 website Yelp, customers have complained about Sunrun's use of questionable business
2 practices including providing misleading information, hidden fees, unilateral changes to
contracts and poor customer service.

3 56. On February 10, 2016, the Company reported weaker-than-expected 4Q 2015 results,
4 reporting lower-than-expected 272 MW installations for the quarter, while guiding to 1Q16 installations
5 of 180 MW.

6 57. Barclays analyst Jon Windham downgraded the rating of Sunrun noting the slowdown in
7 installation and the rising cost of funding. Windham also noted that Sunrun's guidance was not only lower
8 than the estimate of 214 MW, it was also below the Company's FY2016 guidance of 40% year-on-year
9 installation growth.

10 58. On March 11, 2016, Sunrun reported \$99.6 million and a 15-cent loss per share for Q4.
11 Sales rose 66% and losses shrunk compared to the year-earlier quarter. Notably, the Company plans to
12 install 285 MW of solar systems this year, a 40% increase over 2015, however, that is down from the 76%
13 growth in installations last year.

14 59. On the same day, an *Investor's Business Daily* article entitled *Sunrun Offers 'Draconian'*
15 *2016 View, Won't Gouge SolarCity Market* reported that "analysts worry about . . . Sunrun's narrowing
16 access to capital, given the market's volatility." The article also noted that "[f]or 2016, Sunrun sees 40%
17 growth in solar installations vs. Credit Suisse views for 78%, analyst Patrick Jobin wrote in a research
18 report." Jobin further noted that it's a rather "draconian scenario, considering the (Investment Tax Credit)
19 has been de facto extended through 2023 and most net-metering decisions are in favor of rooftop solar."

20 60. On this news, shares of Sunrun common stock fell from \$7.15 per share on March 10, 2016
21 to \$6.36 per share on March 31, 2016; a drop of over 11%.

22 61. In response to those disclosures, the Company's shares fell sharply, falling from the \$14.00
23 issuing price to a closing price on April 19, 2016 of \$7.02; a staggering drop of 49%.

24 **PLAINTIFFS' CLASS ACTION ALLEGATIONS**

25 62. Plaintiffs bring this action as a class action on behalf of a Class, consisting of all those who
26 purchased the Company's preferred stock pursuant or traceable to the Company's Offering and
27 Registration Statement and who were damaged thereby (the "Class"). Excluded from the Class are
28

1 Defendants; the officers and directors of the Company at all relevant times; members of their immediate
2 families and their legal representatives, heirs, successors, or assigns; and any entity in which Defendants
3 have or had a controlling interest.

4 63. The members of the Class are so numerous that joinder of all members is impracticable.
5 While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained
6 through appropriate discovery, Plaintiffs believe that there are thousands of members of the proposed
7 Class. The members of the proposed Class may be identified from records maintained by the Company
8 or its transfer agent, and may be notified of the pendency of this action by mail, using customary forms of
9 notice that are commonly used in securities class actions.

10 64. Plaintiffs' claims are typical of the claims of the members of the Class, as all members of
11 the Class are similarly affected by Defendants' wrongful conduct.

12 65. Plaintiffs will fairly and adequately protect the interests of the members of the Class and
13 have retained counsel competent and experienced in class and securities litigation.

14 66. Common questions of law and fact exist as to all members of the Class and predominate
15 over any questions solely affecting individual members of the Class. Among the questions of law and fact
16 common to the Class are:

- 17 a. whether the federal securities laws were violated by Defendants' acts as alleged
18 herein;
- 19 b. whether the Prospectus and Registration Statement contained materially false and
20 misleading statements and omissions; and
- 21 c. to what extent Plaintiffs and members of the Class have sustained damages and the
proper measure of damages.

22 67. A class action is superior to all other available methods for the fair and efficient
23 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
24 damages suffered by individual Class members may be relatively small, the expense and burden of
25 individual litigation make it impossible for members of the Class to individually redress the wrongs done
26 to them. There will be no difficulty in the management of this action as a class action.

FIRST CLAIM
Violations of §11 of the Securities Act
Against All Defendants

68. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

69. This Claim is brought pursuant to §11 of the Securities Act, 15 U.S.C. §77k, on behalf of the Class, against each of the Defendants.

70. The Registration Statement was inaccurate and misleading, contained untrue statements of material facts, omitted facts necessary to make the statements made therein not misleading, and omitted to state material facts required to be stated therein.

71. The Company is the issuer of the securities purchased by Plaintiffs and the Class. As such, the Company is strictly liable for the materially inaccurate statements contained in the Registration Statement and the failure of the Registration Statement to be complete and accurate.

72. The Individual Defendants each signed the Registration Statement. As such, each is strictly liable for the materially inaccurate statements contained in the Registration Statement and the failure of the Registration Statement to be complete and accurate, unless they are able to carry their burden of establishing an affirmative “due diligence” defense. The Individual Defendants each had a duty to make a reasonable and diligent investigation of the truthfulness and accuracy of the statements contained in the Registration Statement, to ensure that they were true and accurate, that there were no omissions of material facts that would make the Registration Statement misleading, and that the document contained all facts required to be stated therein. In the exercise of reasonable care, the Individual Defendants should have known of the material misstatements and omissions contained in the Registration Statement and also should have known of the omissions of material fact necessary to make the statements made therein not misleading. Accordingly, the Individual Defendants are liable to Plaintiffs and the Class.

73. By reasons of the conduct herein alleged, each Defendant violated §11 of the Securities Act.

74. Plaintiffs acquired the Company’s common stock pursuant or traceable to the Registration Statement, and without knowledge of the untruths and/or omissions alleged herein. Plaintiffs sustained

1 damages, and the price of the Company's common stock declined substantially due to material
2 misstatements in the Registration Statement.

3 75. This claim was brought within one year after the discovery of the untrue statements and
4 omissions and within three years of the date of the Offering.

5 76. By virtue of the foregoing, Plaintiffs and the other members of the Class are entitled to
6 damages under §11 as measured by the provisions of §11(e), from the Defendants and each of them, jointly
7 and severally.

8
9 **SECOND CLAIM**
Violations of §12(a)(2) of the Securities Act
Against All Defendants

10 77. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth
11 herein.

12 78. Defendants were sellers, offerors, and/or solicitors of purchasers of the Company's
13 securities offered pursuant to the Offering. Defendants issued, caused to be issued, and signed the
14 Registration Statement in connection with the Offering. The Registration Statement was used to induce
15 investors, such as Plaintiffs and the other members of the Class, to purchase the Company's shares.

16 79. The Registration Statement contained untrue statements of material facts, omitted to state
17 other facts necessary to make the statements made not misleading, and omitted material facts required to
18 be stated therein. Defendants' acts of solicitation included participating in the preparation of the false and
19 misleading Registration Statement.

20 80. As set forth more specifically above, the Registration Statement contained untrue
21 statements of material facts and omitted to state material facts necessary in order to make the statements,
22 in light of circumstances in which they were made, not misleading.

23 81. Plaintiffs and the other Class members did not know, nor could they have known, of the
24 untruths or omissions contained in the Registration Statement.

25 82. The Defendants were obligated to make a reasonable and diligent investigation of the
26 statements contained in the Registration Statement to ensure that such statements were true and that there
27 was no omission of material fact required to be stated in order to make the statements contained therein
28

1 not misleading. None of the Defendants made a reasonable investigation or possessed reasonable grounds
2 for the belief that the statements contained in the Registration Statement were accurate and complete in
3 all material respects. Had they done so, these Defendants could have known of the material misstatements
4 and omissions alleged herein.

5 83. This claim was brought within one year after discovery of the untrue statements and
6 omissions in the Registration Statement and within three years after the Company's shares were sold to
7 the Class in connection with the Offering.

8
9 **THIRD CLAIM**
10 **For Violations of §15 of the Securities Act**
11 **Against the Individual Defendants**

12 84. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth
13 herein.

14 85. The Individual Defendants were controlling persons of the Company within the meaning
15 of §15 of the Securities Act. By reason of their ownership interest in, senior management positions at,
16 and/or directorships held at the Company, as alleged above, these Defendants invest in, individually and
17 collectively, had the power to influence, and exercised the same, over the Company to cause it to engage
18 in the conduct complained of herein. By reason of such conduct, the Individual Defendants are liable
19 pursuant to §15 of the Securities Act.

20 86. By reason of such wrongful conduct, the Individual Defendants are liable pursuant to §15
21 of the Securities Act. As a direct and proximate result of the wrongful conduct, Class members suffered
22 damages in connection with their purchases of the Company's shares.

23 **REQUEST FOR RELIEF**

24 WHEREFORE, Plaintiffs pray for judgment as follows:

25 A. Declaring this action to be a proper class action and certifying Plaintiffs as Class
26 representatives;

27 B. Awarding Plaintiffs and the other members of the Class compensatory damages;
28

1 C. Awarding Plaintiffs and the other members of the Class rescission on their §12(a)(2)
2 claims;

3 D. Awarding Plaintiffs and the other members of the Class pre-judgment and post-judgment
4 interest, as well as reasonable attorneys' fees, expert witness fees, and other costs and disbursements; and
5

6 E. Awarding Plaintiffs and the other members of the Class such other and further relief as the
7 Court may deem just and proper.

8 **JURY TRIAL DEMANDED**

9 Plaintiffs hereby demand a trial by jury.

10 DATED: April 21, 2016

11 **SCOTT+SCOTT, ATTORNEYS AT LAW, LLP**

12 
13 _____
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5 New York, NY 10174
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11 *Attorneys for Plaintiffs George Cohen, David Moss, and*
12 *Roxanne Xenakis*
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APPROPRIATE DISPUTE RESOLUTION INFORMATION SHEET

SUPERIOR COURT OF CALIFORNIA, SAN MATEO COUNTY

In addition to the court provided voluntary and mandatory settlement conferences, this court has established, in partnership with the community and Bar Association, the Multi-Option ADR Project. Recognizing that many civil disputes can be resolved without the time and expense of traditional civil litigation, the San Mateo County Superior Court encourages the parties in civil cases to explore and pursue the use of Appropriate Dispute Resolution

WHAT IS APPROPRIATE DISPUTE RESOLUTION?

Appropriate Dispute Resolution (ADR) is the general term applied to a wide variety of dispute resolution processes which are alternatives to lawsuits. Types of ADR processes include arbitration, mediation, neutral evaluation, mini-trials, settlement conferences, private judging, negotiation, and hybrids of these processes. All ADR processes offer a partial or complete alternative to traditional court litigation for resolving disputes.

WHAT ARE THE ADVANTAGES OF USING ADR?

ADR can have a number of advantages over traditional court litigation.

- **ADR can save time.** Even in a complex case, a dispute can be resolved through ADR in a matter of months or weeks, while a lawsuit can take years.
- **ADR can save money.** By producing earlier settlements, ADR can save parties and courts money that might otherwise be spent on litigation costs (attorney's fees and court expenses).
- **ADR provides more participation.** Parties have more opportunity with ADR to express their own interests and concerns, while litigation focuses exclusively on the parties' legal rights and responsibilities.
- **ADR provides more control and flexibility.** Parties can choose the ADR process most appropriate for their particular situation and that will best serve their particular needs.
- **ADR can reduce stress and provide greater satisfaction.** ADR encourages cooperation and communication, while discouraging the adversarial atmosphere found in litigation. Surveys of disputants who have gone through ADR have found that satisfaction with ADR is generally high, especially among those with extensive ADR experience.

Arbitration, Mediation, and Neutral Evaluation

Although there are many different types of ADR processes, the forms most commonly used to resolve disputes in California State courts are Arbitration, Mediation and Neutral Evaluation. The Multi-Option ADR Project a partnership of the Court, Bar and Community offers pre-screened panelists with specialized experience and training in each of these areas.

Arbitration: An arbitrator hears evidence presented by the parties, makes legal rulings, determines facts and makes an arbitration award. Arbitration awards may be entered as

judgments in accordance with the agreement of the parties or, where there is no agreement, in accordance with California statutes. Arbitrations can be binding or non-binding, as agreed by the parties in writing.

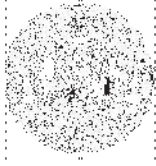
Mediation: Mediation is a voluntary, informal, confidential process in which the mediator, a neutral third party, facilitates settlement negotiations. The mediator improves communication by and among the parties, helps parties clarify facts, identify legal issues, explore options and arrive at a mutually acceptable resolution of the dispute.

Neutral Evaluation: Involves presentations to a neutral third party with subject matter expertise who may render an opinion about the case the strengths and weaknesses of the positions, the potential verdict regarding liability, and a possible range for damages.

CIVIL ADR PROCEDURES FOR THE SAN MATEO COUNTY SUPERIOR COURT

- Upon filing a Complaint, the Plaintiff will receive this **information sheet** from the Superior Court Clerk. Plaintiff is expected to include this information sheet when he or she **serves the Complaint** on the Defendant.
- All parties to the dispute may voluntarily agree to take the matter to an ADR process. A stipulation is provided here. Parties chose and contact their own ADR provider. A Panelist List is available online.
- If the parties have not agreed to use an ADR process, an initial Case Management Conference (“CMC”) will be scheduled within 120 days of the filing of the Complaint. An **original and copy of the Case Management Conference Statement must be completed and provided to the court clerk no later than 15 days prior to the scheduled conference**. The San Mateo County Superior Court Case Management Judges will strongly encourage all parties and their counsel to consider and utilize ADR procedures and/or to meet with the ADR director and staff where appropriate.
- If the parties voluntarily agree to ADR, the parties will be required to sign and file a **Stipulation and Order to ADR**.
- A timely filing of a stipulation (at least 10 days prior to the CMC) will cause a notice to vacate the CMC. ADR stipulated cases (other than judicial arbitration) will be continued for further ADR/Case Management status review in 90 days. If the case is resolved through ADR, the status review date may be vacated if the court receives a dismissal or judgment. The court may upon review of case information suggest to parties an ADR referral to discuss matters related to case management, discovery and ADR.
- Any ADR Services shall be paid for by the parties pursuant to a separate ADR fee agreement. The ADR Director may screen appropriate cases for financial aid where a party is indigent.
- Local Court Rules require your cooperation in evaluating the ADR Project and will expect a brief evaluation form to be completed and submitted **within 10 days of completion of the process**.

You can find ADR forms on the ADR webpage: www.sanmateocourt.org/adr. For more information contact the Multi-Option ADR Project at (650) 261-5075 or 261-5076.



SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO
MULTI OPTION ADR PROJECT
 HALL OF JUSTICE AND RECORDS
 400 COUNTY CENTER
 REDWOOD CITY, CALIFORNIA 94063

ADR Stipulation and Evaluation Instructions

In accordance with **Local Rule 2.3(i)(3)**, all parties going to ADR must complete a Stipulation and Order to ADR and file it with the Clerk of the Superior Court. The Office of the Clerk is located at:

Clerk of the Superior Court, Civil Division
 Attention: Case Management Conference Clerk
 Superior Court of California, County of San Mateo
 400 County Center
 Redwood City, CA 94063-1655

There is no filing fee for filing the stipulation. An incomplete stipulation will be returned to the parties by the Clerk's Office. All stipulations must include the following:

- ☐ Original signatures for all attorneys (and/or parties in pro per);
- ☐ The name of the neutral;
- ☐ Date of the ADR session; and
- ☐ Service List (Counsel need not serve the stipulation on parties).

Parties mutually agree on a neutral and schedule ADR sessions directly with the neutral. If parties would like a copy of the court's Civil ADR Program Panelist List and information sheets on individual panelists, they may visit the court's website at www.sanmateocourt.org/adr.

If Filing the Stipulation Prior to an Initial Case Management Conference

To stipulate to ADR prior to the initial case management conference, parties must file a completed stipulation at least 10 days before the scheduled case management conference. The clerk will send notice of a new case management conference date approximately 90 days from the current date to allow time for the ADR process to be completed.

If Filing Stipulation Following a Case Management Conference

When parties come to an agreement at a case management conference to utilize ADR, they have 21 days from the date of the case management conference to file a Stipulation and Order to ADR with the court [**Local Rule 2.3(i)(3)**].

Post-ADR Session Evaluations

Local Rule 2.3(i)(5) requires submission of post-ADR session evaluations within 10 days of completion of the ADR process. Evaluations are to be filled out by both attorneys and clients. A copy of the Evaluation By Attorneys and Client Evaluation are attached to the Civil ADR Program Panelist List or can be downloaded from the court's web site.

Non-Binding Judicial Arbitration

Names and dates are not needed for stipulations to judicial arbitration. The Judicial Arbitration Administrator will send a list of names to parties once a stipulation has been submitted.

For further information regarding San Mateo Superior Court's Civil ADR and Judicial Arbitration Programs, visit the Court's website at www.sanmateocourt.org/adr or contact the ADR offices at **(650) 261-5075 or (650) 261-5076**.

Attorney or Party without Attorney (Name, Address, Telephone, Fax, State Bar membership number):	Court Use Only
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO Hall of Justice and Records 400 County Center Redwood City, CA 94063-1655 (650) 363-4711	
Plaintiff(s):	Case number:
Defendant(s):	Current CMC Date:

STIPULATION AND ORDER TO APPROPRIATE DISPUTE RESOLUTION

Plaintiff will file this stipulation with the Clerk's Office 10 days prior to or 3 weeks following the first Case Management Conference unless directed otherwise by the Court and ADR Director [*Local Rule 2.3(i)(3)*]. Please attach a Service List.

The parties hereby stipulate that all claims in this action shall be submitted to (select one):

- ☐ Voluntary Mediation
 ☐ Binding Arbitration (private)
 ☐ Neutral Evaluation
 ☐ Settlement Conference (private)
 ☐ **Non-Binding Judicial Arbitration CCP 1141.12**
☐ Summary Jury Trial
 ☐ Other: _____

Case Type: _____

Neutral's name and telephone number: _____ Date of session: _____

(Required for continuance of CMC except for non-binding judicial arbitration)

Identify by name the parties to attend ADR session: _____

Original Signatures

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

IT IS SO ORDERED:

Date:

 Judge of the Superior Court of San Mateo County

1. **Party or parties** (answer one):
 - a. ☐ This statement is submitted by party (name):
 - b. ☐ This statement is submitted **jointly** by parties (names):
2. **Complaint and cross-complaint** (to be answered by plaintiffs and cross-complainants only)
 - a. The complaint was filed on (date):
 - b. ☐ The cross-complaint, if any, was filed on (date):
3. **Service** (to be answered by plaintiffs and cross-complainants only)
 - a. ☐ All parties named in the complaint and cross-complaint have been served, have appeared, or have been dismissed.
 - b. ☐ The following parties named in the complaint or cross-complaint
 - (1) ☐ have not been served (specify names and explain why not):
 - (2) ☐ have been served but have not appeared and have not been dismissed (specify names):
 - (3) ☐ have had a default entered against them (specify names):
 - c. ☐ The following additional parties may be added (specify names, nature of involvement in case, and date by which they may be served):
4. **Description of case**
 - a. Type of case in ☐ complaint ☐ cross-complaint (Describe, including causes of action):

CM-110

PLAINTIFF/PETITIONER:	CASE NUMBER:
DEFENDANT/RESPONDENT:	

4. b. Provide a brief statement of the case, including any damages. *(If personal injury damages are sought, specify the injury and damages claimed, including medical expenses to date [indicate source and amount], estimated future medical expenses, lost earnings to date, and estimated future lost earnings. If equitable relief is sought, describe the nature of the relief.)*

☐ *(If more space is needed, check this box and attach a page designated as Attachment 4b.)*

5. **Jury or nonjury trial**

The party or parties request ☐ a jury trial ☐ a nonjury trial. *(If more than one party, provide the name of each party requesting a jury trial):*

6. **Trial date**

a. ☐ The trial has been set for *(date)*:

b. ☐ No trial date has been set. This case will be ready for trial within 12 months of the date of the filing of the complaint *(if not, explain)*:

c. Dates on which parties or attorneys will not be available for trial *(specify dates and explain reasons for unavailability)*:

7. **Estimated length of trial**

The party or parties estimate that the trial will take *(check one)*:

a. ☐ days *(specify number)*:

b. ☐ hours (short causes) *(specify)*:

8. **Trial representation (to be answered for each party)**

The party or parties will be represented at trial ☐ by the attorney or party listed in the caption ☐ by the following:

a. Attorney:

b. Firm:

c. Address:

d. Telephone number:

f. Fax number:

e. E-mail address:

g. Party represented:

☐ Additional representation is described in Attachment 8.

9. **Preference**

☐ This case is entitled to preference *(specify code section)*:

10. **Alternative dispute resolution (ADR)**

a. **ADR information package.** Please note that different ADR processes are available in different courts and communities; read the ADR information package provided by the court under rule 3.221 for information about the processes available through the court and community programs in this case.

(1) For parties represented by counsel: Counsel ☐ has ☐ has not provided the ADR information package identified in rule 3.221 to the client and reviewed ADR options with the client.

(2) For self-represented parties: Party ☐ has ☐ has not reviewed the ADR information package identified in rule 3.221.

b. **Referral to judicial arbitration or civil action mediation (if available).**

(1) ☐ This matter is subject to mandatory judicial arbitration under Code of Civil Procedure section 1141.11 or to civil action mediation under Code of Civil Procedure section 1775.3 because the amount in controversy does not exceed the statutory limit.

(2) ☐ Plaintiff elects to refer this case to judicial arbitration and agrees to limit recovery to the amount specified in Code of Civil Procedure section 1141.11.

(3) ☐ This case is exempt from judicial arbitration under rule 3.811 of the California Rules of Court or from civil action mediation under Code of Civil Procedure section 1775 et seq. *(specify exemption)*:

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PLAINTIFF/PETITIONER:	CASE NUMBER:
DEFENDANT/RESPONDENT:	

10. c. Indicate the ADR process or processes that the party or parties are willing to participate in, have agreed to participate in, or have already participated in (*check all that apply and provide the specified information*):

	The party or parties completing this form are willing to participate in the following ADR processes (<i>check all that apply</i>):	If the party or parties completing this form in the case have agreed to participate in or have already completed an ADR process or processes, indicate the status of the processes (<i>attach a copy of the parties' ADR stipulation</i>):
(1) Mediation	<input type="checkbox"/>	<input type="checkbox"/> Mediation session not yet scheduled <input type="checkbox"/> Mediation session scheduled for (date): <input type="checkbox"/> Agreed to complete mediation by (date): <input type="checkbox"/> Mediation completed on (date):
(2) Settlement conference	<input type="checkbox"/>	<input type="checkbox"/> Settlement conference not yet scheduled <input type="checkbox"/> Settlement conference scheduled for (date): <input type="checkbox"/> Agreed to complete settlement conference by (date): <input type="checkbox"/> Settlement conference completed on (date):
(3) Neutral evaluation	<input type="checkbox"/>	<input type="checkbox"/> Neutral evaluation not yet scheduled <input type="checkbox"/> Neutral evaluation scheduled for (date): <input type="checkbox"/> Agreed to complete neutral evaluation by (date): <input type="checkbox"/> Neutral evaluation completed on (date):
(4) Nonbinding judicial arbitration	<input type="checkbox"/>	<input type="checkbox"/> Judicial arbitration not yet scheduled <input type="checkbox"/> Judicial arbitration scheduled for (date): <input type="checkbox"/> Agreed to complete judicial arbitration by (date): <input type="checkbox"/> Judicial arbitration completed on (date):
(5) Binding private arbitration	<input type="checkbox"/>	<input type="checkbox"/> Private arbitration not yet scheduled <input type="checkbox"/> Private arbitration scheduled for (date): <input type="checkbox"/> Agreed to complete private arbitration by (date): <input type="checkbox"/> Private arbitration completed on (date):
(6) Other (<i>specify</i>):	<input type="checkbox"/>	<input type="checkbox"/> ADR session not yet scheduled <input type="checkbox"/> ADR session scheduled for (date): <input type="checkbox"/> Agreed to complete ADR session by (date): <input type="checkbox"/> ADR completed on (date):

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PLAINTIFF/PETITIONER:	CASE NUMBER:
DEFENDANT/RESPONDENT:	

11. Insurance

- a. ☐ Insurance carrier, if any, for party filing this statement (*name*):
- b. Reservation of rights: ☐ Yes ☐ No
- c. ☐ Coverage issues will significantly affect resolution of this case (*explain*):

12. Jurisdiction

Indicate any matters that may affect the court's jurisdiction or processing of this case and describe the status.

☐ Bankruptcy ☐ Other (*specify*):

Status:

13. Related cases, consolidation, and coordination

- a. ☐ There are companion, underlying, or related cases.
- (1) Name of case:
- (2) Name of court:
- (3) Case number:
- (4) Status:
- ☐ Additional cases are described in Attachment 13a.
- b. ☐ A motion to ☐ consolidate ☐ coordinate will be filed by (*name party*):

14. Bifurcation

- ☐ The party or parties intend to file a motion for an order bifurcating, severing, or coordinating the following issues or causes of action (*specify moving party, type of motion, and reasons*):

15. Other motions

- ☐ The party or parties expect to file the following motions before trial (*specify moving party, type of motion, and issues*):

16. Discovery

- a. ☐ The party or parties have completed all discovery.
- b. ☐ The following discovery will be completed by the date specified (*describe all anticipated discovery*):
- | <u>Party</u> | <u>Description</u> | <u>Date</u> |
|--------------|--------------------|-------------|
|--------------|--------------------|-------------|

- c. ☐ The following discovery issues, including issues regarding the discovery of electronically stored information, are anticipated (*specify*):

CM-110

PLAINTIFF/PETITIONER: _____	CASE NUMBER:
DEFENDANT/RESPONDENT: _____	

17. Economic litigation

- a. ☐ This is a limited civil case (i.e., the amount demanded is \$25,000 or less) and the economic litigation procedures in Code of Civil Procedure sections 90-98 will apply to this case.
- b. ☐ This is a limited civil case and a motion to withdraw the case from the economic litigation procedures or for additional discovery will be filed *(if checked, explain specifically why economic litigation procedures relating to discovery or trial should not apply to this case)*:

18. Other issues

- ☐ The party or parties request that the following additional matters be considered or determined at the case management conference *(specify)*:

19. Meet and confer

- a. ☐ The party or parties have met and conferred with all parties on all subjects required by rule 3.724 of the California Rules of Court *(if not, explain)*:
- b. After meeting and conferring as required by rule 3.724 of the California Rules of Court, the parties agree on the following *(specify)*:

20. Total number of pages attached *(if any)*: _____

I am completely familiar with this case and will be fully prepared to discuss the status of discovery and alternative dispute resolution, as well as other issues raised by this statement, and will possess the authority to enter into stipulations on these issues at the time of the case management conference, including the written authority of the party where required.

Date:

(TYPE OR PRINT NAME)



(SIGNATURE OF PARTY OR ATTORNEY)

(TYPE OR PRINT NAME)



(SIGNATURE OF PARTY OR ATTORNEY)

☐ Additional signatures are attached.

SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN MATEO



LOCAL COURT RULES

**As Amended
Effective January 1, 2015**

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO
Hall of Justice and Records
400 County Center, 2nd Floor
Redwood City, California 94063**

Superior Court of California, County of San Mateo

RULE NUMBERS 2.23 TO 2.29 ARE RESERVED

CHAPTER 7. COMPLEX CASES

Rule 2.30 Determination of Complex Case Designation.

A. Decision of Complex Case to be Made by Presiding Judge

The Presiding Judge shall decide whether an action is a complex case within the meaning of California Rules of Court, Rule 3.400, subdivision (a), and whether it should be assigned to a single judge for all purposes. All status conferences or other hearings regarding whether an action should be designated as complex and receive a singly assigned judge shall be set in the Presiding Judge's department.

B. Provisional Designation.

An action is provisionally a complex case if it involves one or more of the following types of claims: (1) antitrust or trade regulation claims; (2) construction defect claims involving many parties or structures; (3) securities claims or investment losses involving many parties; (4) environmental or toxic tort claims involving many parties; (5) claims involving massive torts; (6) claims involving class actions; or (7) insurance coverage claims arising out of any of the claims listed in subdivisions (1) through (6).

The Court shall treat a provisionally complex action as a complex case until the Presiding Judge has the opportunity to decide whether the action meets the definition in California Rules of Court, Rule 3.400, subdivision (a).

C. Application to Designate or Counter-Designate an Action as a Complex Case.

Any party who files either a Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.401) or a counter or joinder Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.402, subdivision (b) or (c)), designating an action as a complex case in Items 1, 2 and/or 5, must also file an accompanying Certificate Re: Complex Case Designation in the form prescribed by the Court. The certificate must include supporting information showing a reasonable basis for the complex case designation being sought. Such supporting information may include, without limitation, a brief description of the following factors as they pertain to the particular action:

- (1) Management of a large number of separately represented parties;
- (2) Complexity of anticipated factual and/or legal issues;
- (3) Numerous pretrial motions that will be time-consuming to resolve;
- (4) Management of a large number of witnesses or a substantial amount of documentary evidence;
- (5) Coordination with related actions pending in one or more courts in other counties, states or countries or in a federal court;
- (6) Whether or not certification of a putative class action will in fact be pursued; and
- (7) Substantial post-judgment judicial supervision.

A copy of the Certificate Re: Complex Case Designation must be served on all opposing parties. Any certificate filed by a plaintiff shall be served along with the initial service of copies of the Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.401), summons, and complaint in the action. Any certificate filed by a defendant shall be served together with the service of copies of the counter or

Superior Court of California, County of San Mateo

joinder Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.402, subdivision (b) or (c)) and the initial first appearance pleading(s).

D. Noncomplex Counter-Designation.

If a Civil Case Cover Sheet designating an action as a complex case and the accompanying Certificate Re: Complex Case Designation has been filed and served and the Court has not previously declared the action to be a complex case, a defendant may file and serve no later than its first appearance a counter Civil Case Cover Sheet designating the action as not a complex case. Any defendant who files such a noncomplex counter-designation must also file and serve an accompanying Certificate Re: Complex Case Designation in the form prescribed by this Court and setting forth supporting information showing a reasonable basis for the noncomplex counter-designation being sought.

Once the Court has declared the action to be a complex case, any party seeking the Presiding Judge's decision that the action is not a complex case must file a noticed motion pursuant to Section H below.

E. Decision by Presiding Judge on Complex Case Designation; Early Status Conference.

If a Civil Case Cover Sheet designating an action as a complex case and the accompanying Certificate Re: Complex Case Designation have been filed and served, the Presiding Judge shall decide as soon as reasonably practicable, with or without a hearing, whether the action is a complex case and should be assigned to a single judge for all purposes.

Upon the filing of a Civil Case Cover Sheet designating an action as a complex case and the accompanying Certificate Re: Complex Case Designation, the Clerk of the Court shall set a status conference at which the Presiding Judge shall decide whether or not the action is a complex case. This status conference shall be held no later than (a) 60 days after the filing of a Civil Case Cover Sheet by a plaintiff (pursuant to California Rules of Court, Rule 3.401) or (b) 30 days after the filing of a counter Civil Case Cover Sheet by a defendant (pursuant to California Rules of Court, Rule 3.402, subdivision (a) or (b)), whichever date is earlier.

Alternatively, in his or her sole discretion, the Presiding Judge may make the decision on complex case designation and single assignment, without a status conference, based upon the filed Civil Case Cover Sheet and accompanying Certificate Re: Complex Case Designation alone.

F. Notice.

The party who seeks a complex case designation or a noncomplex counter-designation must give reasonable notice of the status conference to the opposing party or parties in the action even if they have not yet made a first appearance in the action. Such notice of the status conference shall be given in the same manner as is required for ex parte applications pursuant to California Rule of Court, Rule 379.

G. Representations to the Court.

By presenting to the Court a Certificate Re: Complex Case Designation, an attorney or unrepresented party is certifying to the best of that person's knowledge, information, and belief, formed after reasonable inquiry under the circumstances:

- (1) That the complex case designation or noncomplex counter-designation is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;

Superior Court of California, County of San Mateo

- (2) That the claims, defenses, or other legal contentions referenced therein are warranted by existing law or by a non-frivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
- (3) That the statement of supporting information relevant to the complex case designation or noncomplex counter-designation have evidentiary support or are believed, in good faith, likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
- (4) That there is a reasonable basis for that party's complex case designation or noncomplex counter-designation.

If, after notice and a reasonable opportunity to be heard, the Court determines that this subpart has been violated, the Court may impose an appropriate sanction upon the attorneys, law firms, or self-represented parties that have violated this subpart.

H. The Presiding Judge's Continuing Power.

With or without a hearing, the Presiding Judge may decide, on his or her own motion or on a noticed motion by any party, that a civil action is a complex case or that an action previously declared to be a complex case is not a complex case.

I. Pilot Program; Sunset Provision. (Repealed, effective 1/1/2007).

(Adopted, effective July 1, 2004)(Amended, effective July 1, 2005) (Amended, effective January 1, 2006)(Amended, effective January 1, 2007)

RULE NUMBERS 2.31 TO 2.35 ARE RESERVED

CHAPTER 8. ACCESS TO COURT RECORDS

Rule 2.36 Public Access and Privacy

Please reference. California Rules of Court, Rule 1.20.

(Adopted, effective January 1, 2008)

Rule 2.37 Public Access.

Exhibits or attachments to a document that are filed or lodged with or otherwise presented to the court, that are not otherwise marked as confidential or sealed, may be subject to public viewing and access either at the courthouse or electronically on-line (California Rules of Court, Rule 2.503, et seq.).

(Adopted, effective January 1, 2008)

Rule 2.38 Electronic Access.

Documents that are part of a court record are reasonably made available to the public electronically under the Court's Electronic Imaging program as permitted by California Rules of Court, Rules 2.500, et seq. Documents that are not properly protected by being marked confidential or sealed by court order may be subject to public access as discussed in Rule 2.38.

(Adopted, effective January 1, 2008)

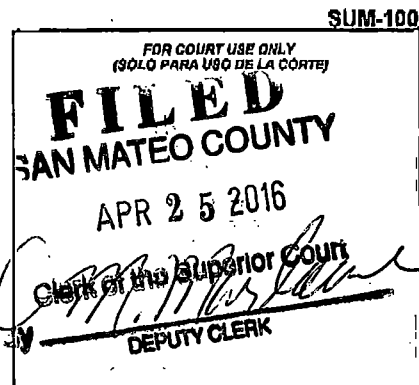
Superior Court of California, County of San Mateo

6-21
P5 L11**SUMMONS
(CITACION JUDICIAL)****NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):**

Sunrun Inc.
Additional defendants listed on attachment form.

**YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**

George Cohen, David Moss, and Roxanne Xenakis, Individually and on
Behalf of All Others Similarly Situated



NOTICE! You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case.

AVISO! Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información a continuación.

Tiene 30 DÍAS DE CALENDARIO después de que le entreguen esta citación y papeles legales para presentar una respuesta por escrito en esta corte y hacer que se entregue una copia al demandante. Una carta o una llamada telefónica no lo protegen. Su respuesta por escrito tiene que estar en formato legal correcto si desea que procesen su caso en la corte. Es posible que haya un formulario que usted pueda usar para su respuesta. Puede encontrar estos formularios de la corte y más información en el Centro de Ayuda de las Cortes de California (www.sucorte.ca.gov), en la biblioteca de leyes de su condado o en la corte que le quede más cerca. Si no puede pagar la cuota de presentación, pida al secretario de la corte que le dé un formulario de exención de pago de cuotas. Si no presenta su respuesta a tiempo, puede perder el caso por incumplimiento y la corte le podrá quitar su sueldo, dinero y bienes sin más advertencia.

Hay otros requisitos legales. Es recomendable que llame a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de remisión a abogados. Si no puede pagar a un abogado, es posible que cumpla con los requisitos para obtener servicios legales gratuitos de un programa de servicios legales sin fines de lucro. Puede encontrar estos grupos sin fines de lucro en el sitio web de California Legal Services, (www.lawhelpcalifornia.org), en el Centro de Ayuda de las Cortes de California, (www.sucorte.ca.gov) o poniéndose en contacto con la corte o el colegio de abogados locales. AVISO: Por ley, la corte tiene derecho a reclamar las cuotas y los costos exentos por imponer un gravamen sobre cualquier recuperación de \$10,000 o más de valor recibida mediante un acuerdo o una concesión de arbitraje en un caso de derecho civil. Tiene que pagar el gravamen de la corte antes de que la corte pueda desecher el caso.

The name and address of the court is:
(El nombre y dirección de la corte es):

Superior Court of California, County of San Mateo Southern Branch
400 County Center, Redwood City, CA 94063

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
John T. Jasnoch, 707 Broadway, Suite 1000, San Diego, CA 92101, 619-233-4565

CASE NUMBER:
(Número del Caso):

CIV 538304

DATE:
(Fecha)

APR 25 2016

Clerk by
(Secretario)

RODINA M. CATALANO
Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons. (POS-010)).

(SEAL)

**NOTICE TO THE PERSON SERVED: You are served**

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):

under: <input type="checkbox"/> CCP 416.10 (corporation)	<input type="checkbox"/> CCP 416.60 (minor)
<input type="checkbox"/> CCP 416.20 (defunct corporation)	<input type="checkbox"/> CCP 416.70 (conservatee)
<input type="checkbox"/> CCP 416.40 (association or partnership)	<input type="checkbox"/> CCP 416.90 (authorized person)
<input type="checkbox"/> other (specify):	
4. ☐ by personal delivery on (date):

CORRECTED

SUM-200(A)

SHORT TITLE: Cohen v. Sunrun Inc., et al.	CASE NUMBER: CIV538304
--	---------------------------

INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
 → If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff ☒ Defendant ☐ Cross Complainant ☐ Cross Defendant

LYNN JURICH, ROBERT KOMIN, EDWARD FENSTER, JAMESON MCJUNKIN, GERALD RISK, STEVE VASSALLO, RICHARD WONG, CREDIT SUISSE SECURITIES (USA) LLC, GOLDMAN, SACHS & CO., MORGAN STANLEY & CO. LLC, MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED, RBC CAPITAL MARKETS, LLC, KEYBANC CAPITAL MARKETS INC., and SUNTRUST ROBINSON HUMPHREY, INC.

Page ____ of ____

Page 1 of 1



**Service of Process
Transmittal**

04/25/2016

CT Log Number 529055138

TO: Jeanna Steele, Senior Counsel, Labor & Employment
Sunrun Inc.
595 Market St Fl 29
San Francisco, CA 94105-2842

RE: Process Served in California

FOR: Sunrun Inc. (Domestic State: DE)

ENCLOSED ARE COPIES OF LEGAL PROCESS RECEIVED BY THE STATUTORY AGENT OF THE ABOVE COMPANY AS FOLLOWS:

TITLE OF ACTION: GEORGE COHEN, et al., Pltfs. vs. SUNRUN INC., et al., Dfts.

DOCUMENT(S) SERVED: Summons, Instructions, Cover Sheet, Certificate, Notice, Class Action Complaint, Appropriate Dispute Resolution Information Sheet, ADR Stipulation and Evaluation Instructions, Stipulation and Order, Statement, Attachment(s)

COURT/AGENCY: San Mateo County - Superior Court - Redwood City, CA
Case # CIV538304

NATURE OF ACTION: Class Action - Violations of 15 of the Securities Act

ON WHOM PROCESS WAS SERVED: C T Corporation System, Los Angeles, CA

DATE AND HOUR OF SERVICE: By Process Server on 04/25/2016 at 14:50

JURISDICTION SERVED : California

APPEARANCE OR ANSWER DUE: Within 30 days after service (Document(s) may contain additional answer dates)

ATTORNEY(S) / SENDER(S): John T. Jasnoch
Scott+Scott, Attorneys at Law, LLP
707 Broadway, Suite 1000
San Diego, CA 92101
619-233-4565

REMARKS: The document(s) received have been modified to reflect the name of the entity being served.

ACTION ITEMS: SOP Papers with Transmittal, via Fed Ex 2 Day , 782917959602

Image SOP

Email Notification, Ayanna Carey ayanna.carey@sunrun.com

Email Notification, Jennifer Talcott jtalcott@sunrun.com

SIGNED: C T Corporation System
ADDRESS: 818 West Seventh Street
Los Angeles, CA 90017
TELEPHONE: 213-337-4615

4/25/16
@ 2:50pm

SUM-100

**SUMMONS
(CITACION JUDICIAL)****NOTICE TO DEFENDANT:
(AVISO AL DEMANDADO):**Sunrun Inc.

Additional defendants listed on attachment form.

**YOU ARE BEING SUED BY PLAINTIFF:
(LO ESTÁ DEMANDANDO EL DEMANDANTE):**George Cohen, David Moss, and Roxanne Xenakis, Individually and on
Behalf of All Others Similarly SituatedFOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)**ENDORSED FILED
SAN MATEO COUNTY**

APR 21 2016

Clerk of the Superior Court
By LINA FINAU
CLERK**NOTICE!** You have been sued. The court may decide against you without your being heard unless you respond within 30 days. Read the information below.

You have 30 CALENDAR DAYS after this summons and legal papers are served on you to file a written response at this court and have a copy served on the plaintiff. A letter or phone call will not protect you. Your written response must be in proper legal form if you want the court to hear your case. There may be a court form that you can use for your response. You can find these court forms and more information at the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), your county law library, or the courthouse nearest you. If you cannot pay the filing fee, ask the court clerk for a fee waiver form. If you do not file your response on time, you may lose the case by default, and your wages, money, and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may want to call an attorney referral service. If you cannot afford an attorney, you may be eligible for free legal services from a nonprofit legal services program. You can locate these nonprofit groups at the California Legal Services Web site (www.lawhelpcalifornia.org), the California Courts Online Self-Help Center (www.courtinfo.ca.gov/selfhelp), or by contacting your local court or county bar association. NOTE: The court has a statutory lien for waived fees and costs on any settlement or arbitration award of \$10,000 or more in a civil case. The court's lien must be paid before the court will dismiss the case. **AVISO!** Lo han demandado. Si no responde dentro de 30 días, la corte puede decidir en su contra sin escuchar su versión. Lea la información e continuación.

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The name and address of the court is:
(El nombre y dirección de la corte es):

Superior Court of California, County of San Mateo Southern Branch
400 County Center, Redwood City, CA 94063

CASE NUMBER:
(Número del Caso)

CIV588304

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es):
John T. Jasnoch, 707 Broadway, Suite 1000, San Diego, CA 92101, 619-233-4565

DATE:
(Fecha)

APR 21 2016

RODINA M. CATALANO

Clerk, by
(Secretario)

UNA FINAU

Deputy
(Adjunto)

(For proof of service of this summons, use Proof of Service of Summons (form POS-010).)

(Para prueba de entrega de esta citación use el formulario Proof of Service of Summons, (POS-010)).

(SEAL)

NOTICE TO THE PERSON SERVED: You are served

1. ☐ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):

3. ☒ on behalf of (specify): Sunrun Inc.

- under: ☒ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (authorized person)
☐ other (specify):

4. ☐ by personal delivery on (date):

Page 1 of 1

SUM-200(A)

SHORT TITLE: Cohen v. Sunrun Inc., et al.	CASE NUMBER:
--	--------------

INSTRUCTIONS FOR USE

- This form may be used as an attachment to any summons if space does not permit the listing of all parties on the summons.
- If this attachment is used, insert the following statement in the plaintiff or defendant box on the summons: "Additional Parties Attachment form is attached."

List additional parties (Check only one box. Use a separate page for each type of party.):

☐ Plaintiff
 ☒ Defendant
 ☐ Cross-Complainant
 ☐ Cross-Defendant

LYNN JURICH, ROBERT KOMIN, EDWARD FENSTER, EDWARD MCJUNKIN, GERALD RISK, STEVE VASSALLO, RICHARD WONG, CREDIT SUISSE SECURITIES (USA) LLC, GOLDMAN, SACHS & CO., MORGAN STANLEY & CO. LLC, MERRILL LYNCH, PIERCE, FENNER & SMITH, INCORPORATED, RBC CAPITAL MARKETS, LLC, KEYBANC CAPITAL MARKETS INC., and SUNTRUST ROBINSON HUMPHREY, INC.

Page ____ of

Page 1 of 1

CM-010

ATTORNEY OR PARTY WITHOUT ATTORNEY (Name, State Bar number, and address): John T. Jasnoch (281605) Scott+Scott, Attorneys at Law, LLP 707 Broadway, Suite 1000 San Diego, CA 92101 TELEPHONE NO.: 619-233-4565 FAX NO.: 619-233-0508 ATTORNEY FOR (Name): George Cohen, David Moss, and Roxanne Xenakis		FOR COURT USE ONLY ENDORSED FILED SAN MATEO COUNTY APR 21 2016 Clerk of the Superior Court BY LISA FINAU COUNTY CLERK
SUPERIOR COURT OF CALIFORNIA, COUNTY OF San Mateo STREET ADDRESS: 400 County Center MAILING ADDRESS: CITY AND ZIP CODE: Redwood City, CA 94063 BRANCH NAME:		
CASE NAME: Cohen v. Sunrun Inc., et al.		
CIVIL CASE COVER SHEET <input checked="" type="checkbox"/> Unlimited (Amount demanded exceeds \$25,000)	<input type="checkbox"/> Limited (Amount demanded is \$25,000 or less)	
Complex Case Designation <input type="checkbox"/> Counter <input type="checkbox"/> Joinder Filed with first appearance by defendant (Cal. Rules of Court, rule 3.402)		CASE NUMBER: CIV538304 JUDGE: DEPT:

Items 1-6 below must be completed (see instructions on page 2).

1. Check one box below for the case type that best describes this case:

Auto Tort <input type="checkbox"/> Auto (22) <input type="checkbox"/> Uninsured motorist (46) Other PI/PD/WD (Personal Injury/Property Damage/Wrongful Death) Tort <input type="checkbox"/> Asbestos (04) <input type="checkbox"/> Product liability (24) <input type="checkbox"/> Medical malpractice (45) <input type="checkbox"/> Other PI/PD/WD (23) Non-PI/PD/WD (Other) Tort <input type="checkbox"/> Business tort/unfair business practice (07) <input type="checkbox"/> Civil rights (08) <input type="checkbox"/> Defamation (13) <input type="checkbox"/> Fraud (16) <input type="checkbox"/> Intellectual property (19) <input type="checkbox"/> Professional negligence (25) <input type="checkbox"/> Other non-PI/PD/WD tort (35) Employment <input type="checkbox"/> Wrongful termination (36) <input type="checkbox"/> Other employment (15)	Contract <input type="checkbox"/> Breach of contract/warranty (08) <input type="checkbox"/> Rule 3.740 collections (09) <input type="checkbox"/> Other collections (09) <input type="checkbox"/> Insurance coverage (18) <input type="checkbox"/> Other contract (37) Real Property <input type="checkbox"/> Eminent domain/inverse condemnation (14) <input type="checkbox"/> Wrongful eviction (33) <input type="checkbox"/> Other real property (28) Unlawful Detainer <input type="checkbox"/> Commercial (31) <input type="checkbox"/> Residential (32) <input type="checkbox"/> Drugs (38) Judicial Review <input type="checkbox"/> Asset forfeiture (05) <input type="checkbox"/> Petition re: arbitration award (11) <input type="checkbox"/> Writ of mandate (02) <input type="checkbox"/> Other judicial review (39)	Provisionally Complex Civil Litigation (Cal. Rules of Court, rules 3.400-3.403) <input type="checkbox"/> Antitrust/Trade regulation (03) <input type="checkbox"/> Construction defect (10) <input type="checkbox"/> Mass tort (40) <input checked="" type="checkbox"/> Securities litigation (28) <input type="checkbox"/> Environmental/Toxic tort (30) <input type="checkbox"/> Insurance coverage claims arising from the above listed provisionally complex case types (41) Enforcement of Judgment <input type="checkbox"/> Enforcement of judgment (20) Miscellaneous Civil Complaint <input type="checkbox"/> RICO (27) <input type="checkbox"/> Other complaint (not specified above) (42) Miscellaneous Civil Petition <input type="checkbox"/> Partnership and corporate governance (21) <input type="checkbox"/> Other petition (not specified above) (43)
--	--	--

2. This case ☒ is ☐ is not complex under rule 3.400 of the California Rules of Court. If the case is complex, mark the factors requiring exceptional judicial management:
- | | |
|--|---|
| a. <input checked="" type="checkbox"/> Large number of separately represented parties
b. <input checked="" type="checkbox"/> Extensive motion practice raising difficult or novel issues that will be time-consuming to resolve
c. <input type="checkbox"/> Substantial amount of documentary evidence | d. <input checked="" type="checkbox"/> Large number of witnesses
e. <input type="checkbox"/> Coordination with related actions pending in one or more courts in other counties, states, or countries, or in a federal court
f. <input type="checkbox"/> Substantial postjudgment judicial supervision |
|--|---|
3. Remedies sought (check all that apply): a. ☒ monetary b. ☒ nonmonetary; declaratory or injunctive relief c. ☐ punitive
4. Number of causes of action (specify): **3, violations of 15 U.S.C. §§77k, 77l(a)(2), and 77o.**
5. This case ☒ is ☐ is not a class action suit.
6. If there are any known related cases, file and serve a notice of related case. (You may use form CM-015.)

Date: 4/21/2016
 John T. Jasnoch

(TYPE OR PRINT NAME)

(SIGNATURE OF PARTY OR ATTORNEY FOR PARTY)

NOTICE

- Plaintiff must file this cover sheet with the first paper filed in the action or proceeding (except small claims cases or cases filed under the Probate Code, Family Code, or Welfare and Institutions Code). (Cal. Rules of Court, rule 3.220.) Failure to file may result in sanctions.
- File this cover sheet in addition to any cover sheet required by local court rule.
- If this case is complex under rule 3.400 et seq. of the California Rules of Court, you must serve a copy of this cover sheet on all other parties to the action or proceeding.
- Unless this is a collections case under rule 3.740 or a complex case, this cover sheet will be used for statistical purposes only.

Page 1 of 2

FILE BY FAX

Attorney or Party without Attorney (Name/Address) John T. Jasnoch (CA 281605) Scott+Scott, Attorneys at Law, LLP 707 Broadway, Suite 1000, San Diego, CA 92101 Telephone: 619-233-4565 State Bar No.: CA 281605 Attorney for: Plaintiffs Cohen, Moss, and Xenakis	FOR COURT USE ONLY ENDORSED FILED SAN MATEO COUNTY APR 21 2016 Clerk of the Superior Court UNA FINAU DEPUTY CLERK
SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN MATEO 400 COUNTY CENTER REDWOOD CITY, CA 94063	
Plaintiff George Cohen, David Moss, and Roxanne Xenakis	
Defendant Sunrun Inc.	
Certificate Re Complex Case Designation	Case Number CIV 538304

FILE BY FAX

This certificate must be completed and filed with your Civil Case Cover Sheet if you have checked a Complex Case designation or Counter-Designation

1. In the attached Civil Case Cover Sheet, this case is being designated or counter-designated as a complex case [or as not a complex case] because at least one or more of the following boxes has been checked:

- ☒ Box 1 – Case type that is best described as being [or not being] provisionally complex civil litigation (i.e., antitrust or trade regulation claims, construction defect claims involving many parties or structures, securities claims or investment losses involving many parties, environmental or toxic tort claims involving many parties, claims involving mass torts, or insurance coverage claims arising out of any of the foregoing claims).
- ☒ Box 2 – Complex [or not complex] due to factors requiring exceptional judicial management
- ☒ Box 5 – Is [or is not] a class action suit.

2. This case is being so designated based upon the following supporting information [including, without limitation, a brief description of the following factors as they pertain to this particular case: (1) management of a large number of separately represented parties; (2) complexity of anticipated factual and/or legal issues; (3) numerous pretrial motions that will be time-consuming to resolve; (4) management of a large number of witnesses or a substantial amount of documentary evidence; (5) coordination with related actions

pending in one or more courts in other counties, states or countries or in a federal court; (6) whether or not certification of a putative class action will in fact be pursued; and (7) substantial post-judgment judicial supervision]:

1, 4, and 6. This is a securities class action under the Securities Act of 1933

that charges a company, two executives, five board members, and seven underwriters with

using false and misleading statements on their August 5, 2015 Initial Public Offering.

The Defendants will obtain separate counsel, there will be a large number of witnesses, and

a substantial amount of documentary evidence, and Plaintiff will seek class certification.

(attach additional pages if necessary)

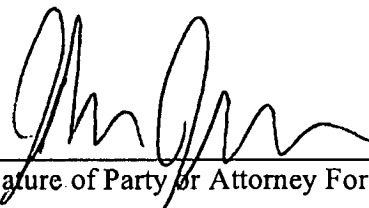
3. Based on the above-stated supporting information, there is a reasonable basis for the complex case designation or counter-designation [or noncomplex case counter-designation] being made in the attached Civil Case Cover Sheet.

I, the undersigned counsel or self-represented party, hereby certify that the above is true and correct and that I make this certification subject to the applicable provisions of California Code of Civil Procedure, Section 128.7 and/or California Rules of Professional Conduct, Rule 5-200 (B) and San Mateo County Superior Court Local Rules, Local Rule 2.30.

Dated: 4/21/2016

John T. Jasnoch

[Type or Print Name]



[Signature of Party or Attorney For Party]

NOTICE OF CASE MANAGEMENT CONFERENCE

Cohen**ENDORSED FILED**
SAN MATEO COUNTYCase No: CIV538304Surian Inc vs.

APR 21 2016

Date: 7-13-16Clerk of the Superior Court
By UNA FINAU
~~DEPUTY CLERK~~

Time 9:00 a.m.

Dept. _____ --on Tuesday & Thursday

Dept. 21 --on Wednesday & Friday

You are hereby given notice of your Case Management Conference. The date, time and department have been written above.

1. In accordance with applicable California Rules of the Court and local Rules 2.3(d)1-4 and 2.3(m), you are hereby ordered to:
 - a) Serve all named defendants and file proofs of service on those defendants with the court within 60-days of filing the complaint (CRC 201.7).
 - b) Serve a copy of this notice, Case Management Statement and ADR Information Sheet on all named parties in this action.
 - c) File and serve a completed Case Management Statement at least 15-days before the Case Management Conference [CRC 212(g)]. Failure to do so may result in monetary sanctions.
 - d) Meet and confer, in person or by telephone, to consider each of the issues identified in CRC 212(f) no later than 30-days before the date set for the Case Management Conference.
2. If you fail to follow the orders above, you are ordered to show cause why you should not be sanctioned. The Order to Show Cause hearing will be at the same time as the Case Management Conference hearing. Sanctions may include monetary, evidentiary or issue sanctions as well as striking pleadings and/or dismissal.
3. Continuances of Case Management Conferences are highly disfavored unless good cause is shown.
4. Parties may proceed to an appropriate dispute resolution process ("ADR") by filing a Stipulation to ADR and Proposed Order (see attached form). If plaintiff files a Stipulation to ADR and Proposed Order electing to proceed to judicial arbitration, the Case Management Conference will be taken off the court calendar and the case will be referred to the Arbitration Administrator. If plaintiffs and defendants file a completed stipulation to another ADR process (e.g., mediation) 10-days prior to the first scheduled Case Management Conference, the Case Management Conference will be continued for 90-days to allow parties time to complete their ADR session. The court will notify parties of their new Case Management Conference date.
5. If you have filed a default or a judgment has been entered, your case is not automatically taken off Case Management Conference Calendar. If "Does", "Roes," etc. are named in your complaint, they must be dismissed in order to close the case. If any party is in bankruptcy, the case is stayed only as to that named party.
6. You are further ordered to appear in person* (or through your attorney of record) at the Case Management Conference noticed above. You must be thoroughly familiar with the case and fully authorized to proceed.
7. The Case Management judge will issue orders at the conclusion of the conference that may include:
 - a) Referring parties to voluntary ADR and setting an ADR completion date;
 - b) Dismissing or severing claims or parties;
 - c) Setting a trial date.
8. The Case Management judge may be the trial judge in this case.

For further information regarding case management policies and procedures, see the court's website at: www.sanmateocourt.org

*Telephonic appearances at case management conferences are available by contacting CourtCall, LLC, an independent vendor, at least five business days prior to the scheduled conference (see attached CourtCall Information).

1 SCOTT+SCOTT, ATTORNEYS AT LAW, LLP
2 JOHN T. JASNOCH (CA. BAR NO. 281605)
3 707 Broadway, Suite 1000
4 San Diego, CA 92101
5 Telephone: (619) 233-4565
6 Facsimile: (619) 233-0508
7 jjasnoch@scott-scott.com

8 *Counsel for Plaintiffs George Cohen, David Moss, and Roxanne Xenakis*

ENDORSED FILED
SAN MATEO COUNTY

APR 21 2016

Clerk of the Superior Court
UNA PINAU
DEPUTY CLERK

9
10 SUPERIOR COURT OF THE STATE OF CALIFORNIA

11 COUNTY OF SAN MATEO

12 GEORGE COHEN, DAVID MOSS and
13 ROXANNE XENAKIS, Individually and on
14 Behalf of All Others Similarly Situated,

15 Plaintiffs,

16 vs.

17 SUNRUN INC., LYNN JURICH, ROBERT
18 KOMIN, EDWARD FENSTER, JAMESON
19 MCJUNKIN, GERALD RISK, STEVE
20 VASSALLO, RICHARD WONG, CREDIT
21 SUISSE SECURITIES (USA) LLC, GOLDMAN,
22 SACHS & CO., MORGAN STANLEY & CO.
23 LLC, MERRILL LYNCH, PIERCE, FENNER &
24 SMITH, INCORPORATED, RBC CAPITAL
25 MARKETS, LLC, KEYBANC CAPITAL
26 MARKETS INC., and SUNTRUST ROBINSON
27 HUMPHREY, INC.,

28 Defendants.

Case No.

CIV538304

CLASS ACTION COMPLAINT FOR
VIOLATIONS OF THE SECURITIES ACT
OF 1933

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

FILE BY FAX

1 Plaintiffs George Cohen, David Moss, and Roxanne Xenakis ("Plaintiffs"), individually, and on
2 behalf of all others similarly situated, by Plaintiffs' undersigned attorneys, for Plaintiffs' Complaint
3 against Defendants, alleges the following based upon personal knowledge as to Plaintiffs and Plaintiffs'
4 own acts, and upon information and belief as to all other matters, based on the investigation conducted by
5 and through Plaintiffs' attorneys, which included, among other things, a review of Sunrun Inc. ("Sunrun"
6 or the "Company") press releases, Securities and Exchange Commission ("SEC") filings, analyst and
7 media reports, and other commentary, analysis, and information concerning Sunrun and the industry
8 within which it operates. Plaintiffs' investigation into the matters alleged herein is continuing and many
9 relevant facts are known only to, or are exclusively within the custody and control of, the Defendants.
10 Plaintiffs believe that substantial additional evidentiary support will exist for the allegations set forth
11 herein after a reasonable opportunity for formal discovery.

12 **NATURE AND SUMMARY OF THE ACTION**

13 1. Plaintiffs bring this action under §§11, 12(a)(2), and 15 of the Securities Act of 1933 (the
14 "Securities Act") against: (1) Sunrun; (2) certain of the Company's senior executives and directors
15 (collectively, "Defendants") who signed the Registration Statement (as defined below) on or around
16 August 5, 2015, for Sunrun's Initial Public Offering (the "IPO" or "Offering"); and (4) each of the
17 underwriters of the Offering (collectively, "Defendants").

18 2. The Registration Statement contained materially incorrect or misleading statements and/or
19 omitted material information that was required to be disclosed. Defendants are each strictly liable for
20 such misstatements and omissions and are so liable in their capacities as signers of the Registration
21 Statement and/or as an issuer, statutory seller, and/or offerors of the shares sold pursuant to the Offering.
22 For all of the claims stated herein, Plaintiffs expressly disclaim any allegation that could be construed as
23 alleging fraud or intentional or reckless misconduct.

24 3. Sunrun engages in the design, development, installation sale, ownership, and maintenance
25 of residential solar energy systems in the United States. The Company markets and sells its products
26 through direct channels, partner channels, mass media, digital media, canvassing, referral, retail, and field
27 marketing.
28

1 4. In the IPO, the Company and the Defendants sold 17.9 million shares of common stock at
2 an offering price of \$14.00 per share, representing gross proceeds of \$251 million. The Company's
3 common stock is listed on the NASDAQ stock exchange under the ticker symbol "RUN."

4 5. Plaintiffs allege that the Registration Statement (and Prospectus incorporated therein)
5 contained materially incorrect or misleading statements, and/or omitted material information that was
6 required to be disclosed. Defendants are each strictly liable for such misstatements and omissions
7 therefrom (subject only, in the case of the Individual and Underwriter Defendants, to their ability to
8 establish a "due diligence" affirmative defense), and are so liable in their capacities as signers of the
9 Registration Statement and/or as an issuer, statutory seller, offeror, and/or underwriter of the over 17.9
10 million Sunrun shares sold pursuant to the Offering. For all of the claims stated herein, Plaintiffs expressly
11 disclaim any allegation that could be construed as alleging fraud or intentional or reckless misconduct.

12 6. Furthermore, because this case involves a Registration Statement, Defendants also had an
13 independent, affirmative duty to provide adequate disclosures about adverse conditions, risks, and
14 uncertainties. See Item 303 of SEC Reg. S-K, 17 C.F.R. §229.303(a)(3)(ii). Thus, Defendants had an
15 affirmative duty to ensure that the Registration Statement and the materials incorporated therein disclosed
16 material trends and uncertainties that they knew or should have reasonably expected would have a
17 materially adverse impact on Sunrun's business. Defendants failed to fulfill this obligation.

18 7. Unbeknownst to investors, however, the Registration Statement's representations were
19 materially inaccurate, misleading, and/or incomplete because they failed to disclose, *inter alia*, that the
20 Company was employing questionable sales tactics and was extremely overleveraged, particularly, using
21 highly complex and illiquid financial instruments, and as such, its growth rate was not sustainable.

22 8. Accordingly, the price of Sunrun common stock was artificially and materially inflated at
23 the time of the Offering.

24 9. Unfortunately for investors who purchased the Company's shares pursuant or traceable to
25 the Offering, however, the truth concerning the nature and extent of the problems facing the Company did
26 not begin to emerge until after the Offering.

1 10. The truth first started to emerge in late October 2015, when, among other things,
2 *SeekingAlpha* issued a report entitled *Sunrun – Financial Weapon Of Mass Destruction In The Solar*
3 *Industry* noting that Sunrun’s high debt leverage and dependence on complex financial instruments for
4 growth, stating that “[t]o address the company’s long term interest rate risk, Sunrun started in 2015 to use
5 interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the
6 syndicated term loan is only a small portion of Sunrun’s overall debt and financial hedges are expensive
7 and create counterparty risk exposures.” In addition, the article stated the following regarding Sunrun’s
8 questionable business practices:

9 It was reported that Sunrun and its contractors use aggressive sales tactics to lure large
10 amount of customers into 20-year energy purchase contracts. In the business review
11 website Yelp, customers have complained about Sunrun’s use of questionable business
12 practices including providing misleading information, hidden fees, unilateral changes to
contracts and poor customer service.

13 11. On February 10, 2016, the Company reported weaker-than-expected 4Q 2015 results,
14 reporting lower-than-expected 272 megawatts (“MW”) installations for the quarter, while guiding to 1Q16
15 installations of 180 MW.

16 12. On the same day, Barclays analyst Jon Windham downgraded the rating of Sunrun noting
17 the slowdown in installation and the rising cost of funding. Windham also noted that Sunrun’s guidance
18 was not only lower than the estimate of 214 MW, it was also below the Company’s FY2016 guidance of
19 40% year-on-year installation growth.

20 13. On March 11, 2016, Sunrun reported \$99.6 million and a 15-cent loss per share for Q4.
21 Sales rose 66% and losses shrunk compared to the year-earlier quarter. Notably, the Company plans to
22 install 285 MW of solar systems this year, a 40% increase over 2015, however, that is down from the 76%
23 growth in installations last year.

24 14. On the same day, an *Investor’s Business Daily* article entitled *Sunrun Offers ‘Draconian’*
25 *2016 View, Won’t Gouge SolarCity Market* reported that “analysts worry about . . . Sunrun’s narrowing
26 access to capital, given the market’s volatility.” The article also noted that “[f]or 2016, Sunrun sees 40%
27 growth in solar installations vs. Credit Suisse views for 78%, analyst Patrick Jobin wrote in a research
28

1 report.” Jobin further noted that it’s a rather “draconian scenario, considering the (Investment Tax Credit)
2 has been de facto extended through 2023 and most net-metering decisions are in favor of rooftop solar.”

3 15. On this news, shares of Sunrun common stock fell from \$7.15 per share on March 10, 2016
4 to \$6.36 per share on March 31, 2016; a drop of over 11%.

5 16. In response to those disclosures, the Company’s shares fell sharply, falling from the \$14.00
6 issuing price to a closing price on April 19, 2016 of \$7.02; a staggering drop of 49%.

7 17. By this action, Plaintiffs, on behalf of themselves and the other Class members who also
8 acquired the Company’s shares pursuant or traceable to the Offering, now seek to obtain a recovery for
9 the damages they have suffered as a result of Defendants’ violations of the Securities Act, as alleged
10 herein.

11 JURISDICTION AND VENUE

12 18. This Court has subject matter jurisdiction over the causes of action asserted herein pursuant
13 to the California Constitution, Article VI, §10, because this case is a cause not given by statute to other trial
14 courts. This action is not removable. The claims alleged herein arise under §§11, 12(a)(2), and 15 of the
15 Securities Act. *See* 15 U.S.C. §§77k, 77l(a)(2), and 77o. Jurisdiction is conferred by §22 of the Securities
16 Act and venue is proper pursuant to §22 of the Securities Act. *See* 15 U.S.C. §77v. Section 22(a) of the
17 Securities Act explicitly states that “[e]xcept as provided in section 16(c), no case arising under this title
18 and brought in any State court of competent jurisdiction shall be removed to any court of the United States.”
19 *Id.* Section 16(c) refers to “covered class actions,” which are defined as lawsuits brought as class actions
20 or brought on behalf of more than 50 persons asserting claims under state or common law. *See* 15 U.S.C.
21 §77p(c) and (f)(2). This action is asserting federal law claims and, thus, does not fall within the definition
22 of “covered class action” under Securities Act §16(b)-(c) and therefore, is not removable to federal court.
23 *See Luther v. Countrywide Fin. Corp.*, 195 Cal. App. 4th 789, 792 (2011) (“The Federal Securities Act of
24 1933 . . . as amended by the Securities Litigation Uniform Standards Act. . . provides for concurrent
25 jurisdiction for cases asserting claims under the 1933 Act. . . .”); *Luther v. Countrywide Home Loans*
26 *Servicing LP*, 533 F.3d 1031, 1032 (9th Cir. 2008) (“Section 22(a) of the Securities Act of 1933 creates
27
28

1 concurrent jurisdiction in state and federal courts over claims arising under the Act. It also specifically
2 provides that such claims brought in state court are not subject to removal to federal court.”).

3 19. This Court has personal jurisdiction over each of the Defendants named herein because they
4 conduct business, were citizens of, and/or took steps to prepare the Offering in California. Additionally,
5 Sunrun is headquartered within this County, many of the Individual Defendants are located within this
6 County and the statements complained of herein were disseminated into this State.

7 20. Venue is proper in this Court because Defendants’ wrongful acts arose in and emanated
8 from, in part, this County. The violations of law complained of herein occurred in this County, including
9 the dissemination of materially misleading statements into this County, the purchase of the Company’s
10 common stock by members of the class who reside in this County and the sale of the Company’s common
11 stock by certain of the Underwriter Defendants (as defined below) in this County. In addition, certain of
12 the Defendants live, are headquartered, and/or maintain offices of operations in this County.

13 **PARTIES**

14 **A. Plaintiffs**

15 21. Plaintiff George Cohen purchased shares of the Company’s common stock that were issued
16 pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

17 22. Plaintiff David Moss purchased shares of the Company’s common stock that were issued
18 pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

19 23. Plaintiff Roxanne Xenakis purchased shares of the Company’s common stock that were
20 issued pursuant and traceable to the Registration Statement and the Offering, and was damaged thereby.

21 **B. Defendants**

22 24. Defendant Sunrun engages in the design, development, installation, sale, ownership, and
23 maintenance of residential solar energy systems in the United States. It also sells solar leads. The
24 company markets and sells its products through direct channels, partner channels, mass media, digital
25 media, canvassing, referral, retail, and field marketing. The Company conducted the Offering for its
26 common stock on or around August 5, 2015. Sunrun’s shares are listed on the NASDAQ under the ticker
27 symbol “RUN.” Sunrun was founded in 2007 and is headquartered in San Francisco, California.
28

1 25. Defendant Lynn Jurich ("Jurich") was, at the time of the Offering, Sunrun's Chief
2 Executive Officer and director of the Company. Defendant Jurich signed, or authorized the signing of,
3 the false and misleading Registration Statement and Prospectus.

4 26. Defendant Robert Komin ("Komin") was, at the time of the Offering, Sunrun's Chief
5 Financial Officer ("CFO"). Defendant Komin signed, or authorized the signing of, the false and
6 misleading Registration Statement and Prospectus.

7 27. Defendant Edward Fenster ("Fenster") was, at the time of the Offering, Chairman of
8 Sunrun's Board of Directors ("BOD") and director of the Company. Defendant Fenster signed, or
9 authorized the signing of, the false and misleading Registration Statement and Prospectus.

10 28. Defendant Jameson McJunkin ("McJunkin") was, at the time of the Offering, a member of
11 Sunrun's BOD. Defendant McJunkin signed, or authorized the signing of, the false and misleading
12 Registration Statement and Prospectus.

13 29. Defendant Gerald Risk ("Risk") was, at the time of the Offering, a member of Sunrun's
14 BOD. Defendant Risk signed, or authorized the signing of, the false and misleading Registration
15 Statement and Prospectus.

16 30. Defendant Steve Vassallo ("Vassallo") was, at the time of the Offering, a member of
17 Sunrun's BOD. Defendant Vassallo signed, or authorized the signing of, the false and misleading
18 Registration Statement and Prospectus.

19 31. Defendant Richard Wong ("Wong") was, at the time of the Offering, a member of Sunrun's
20 BOD. Defendant Wong signed, or authorized the signing of, the false and misleading Registration
21 Statement and Prospectus.

22 32. Defendants Jurich, Komin, Fenster, McJunkin, Risk, Vassallo, and Wong are collectively
23 referred to herein as the "Individual Defendants."

24 33. The Individual Defendants each participated in the preparation of and signed (or authorized
25 the signing of) the Registration Statement and Prospectus. Defendant Sunrun and the Individual
26 Defendants who signed (or authorized the signing of) the Registration Statement are strictly liable for the
27 materially untrue and misleading statements incorporated into the Registration Statement. The Individual
28

1 Defendants, because of their positions with the Company, possessed the power and authority to control
2 the contents of Sunrun's reports to the SEC, press releases, and presentations to securities analysts, money
3 and portfolio managers, and institutional investors; *i.e.*, the market.

4 34. Defendant Credit Suisse Securities (USA) LLC ("Credit Suisse") was an underwriter for
5 the IPO Offering. In the Offering, Credit Suisse agreed to purchase 4,296,000 Sunrun shares. Sunrun
6 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
7 District in connection with the Offering.

8 35. Defendant Goldman, Sachs & Co. ("Goldman Sachs") was an underwriter for the IPO
9 Offering. In the Offering, Goldman Sachs agreed to purchase 4,296,000 Sunrun shares. Goldman Sachs
10 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
11 District in connection with the Offering.

12 36. Defendant Morgan Stanley & Co. LLC ("Morgan Stanley") was an underwriter for the IPO
13 Offering. In the Offering, Morgan Stanley agreed to purchase 4,296,000 Sunrun shares. Morgan Stanley
14 acted as a joint lead book-running manager for the Offering. This Defendant did business within this
15 District in connection with the Offering.

16 37. Defendant Merrill Lynch, Pierce, Fenner & Smith, Incorporated ("Merrill Lynch") was an
17 underwriter for the IPO Offering. In the Offering, Merrill Lynch agreed to purchase 2,327,000 Sunrun
18 shares. Merrill Lynch acted as a joint book-running manager for the Offering. This Defendant did
19 business within this District in connection with the Offering.

20 38. Defendant RBC Capital Markets, LLC ("RBC") was an underwriter for the IPO Offering.
21 In the Offering, RBC agreed to purchase 1,969,000 Sunrun shares. RBC acted as a joint book-running
22 manager for the Offering. This Defendant did business within this District in connection with the Offering.

23 39. Defendant KeyBanc Capital Markets Inc. ("KeyBanc") was an underwriter for the IPO
24 Offering. In the Offering, KeyBanc agreed to purchase 447,500 Sunrun shares. KeyBanc acted as a co-
25 manager for the Offering. This Defendant did business within this District in connection with the Offering.

26 40. Defendant SunTrust Robinson Humphrey, Inc. ("SunTrust") was an underwriter for the
27 IPO Offering. In the Offering, SunTrust agreed to purchase 268,500 Sunrun shares. SunTrust acted as a
28

1 co-manager for the Offering. This Defendant did business within this District in connection with the
2 Offering.

3 41. Defendants Credit Suisse, Goldman Sachs, Morgan Stanley, Merrill Lynch, RBC,
4 KeyBanc, and SunTrust are referred to collectively as the "Underwriter Defendants."

5 42. Pursuant to the Securities Act, the Underwriter Defendants are liable for the false and
6 misleading statements in the Offering's Registration Statement and Prospectus. The Underwriter
7 Defendants' failure to conduct adequate due diligence investigations was a substantial factor leading to
8 the harm complained of herein.

9 43. The Underwriter Defendants are primarily investment banking houses which specialize,
10 *inter alia*, in underwriting public offerings of securities. As the underwriters of the Offering, in addition
11 to their lucrative underwriting fees, they also received an option to purchase up to 2,685,000 additional
12 shares of common stock at the public offering price, less underwriting discounts and commissions.

13 44. The Underwriter Defendants determined that, in return for substantial fees and an option
14 to purchase up to 2,685,000 additional shares, they were willing to underwrite and market Sunrun's
15 common stock in the Offering. The Underwriter Defendants met with potential investors and presented
16 highly favorable but materially incorrect and/or materially misleading information about the Company,
17 its business, products, plans, and financial prospects, and/or omitted to disclose material information
18 required to be disclosed under the federal securities laws and applicable regulations promulgated
19 thereunder.

20 45. Representatives of the Underwriter Defendants also assisted Sunrun and the Individual
21 Defendants in planning the Offering. They also purported to conduct an adequate and reasonable
22 investigation into the business, operations, products, and plans of Sunrun, an undertaking known as a "due
23 diligence" investigation. During the course of their "due diligence," the Underwriter Defendants had
24 continual access to confidential corporate information concerning Sunrun's business, financial condition,
25 products, plans, and prospects.

26 46. In addition to having access to internal Sunrun corporate documents, the Underwriter
27 Defendants and/or their agents, including their counsel, had access to Sunrun's lawyers, management,
28

1 directors, and top executives to determine: (i) the strategy to best accomplish the Offering; (ii) the terms
 2 of the Offering, including the price at which Sunrun's common stock would be sold; (iii) the language to
 3 be used in the Registration Statement; (iv) what disclosures about Sunrun would be made in the
 4 Registration Statement; and (v) what responses would be made to the SEC in connection with its review
 5 of the Registration Statement. As a result of those constant contacts and communications between the
 6 Underwriter Defendants' representatives and Sunrun's management and top executives, at a minimum the
 7 Underwriter Defendants should have known of Sunrun's undisclosed existing problems and plans, and the
 8 material misstatements and omissions contained in the Registration Statement as detailed herein.

9 47. The Underwriter Defendants caused the Registration Statement to be filed with the SEC
 10 and to be declared effective in connection with offers and sales of Sunrun shares pursuant and/or traceable
 11 to the Offering and relevant offering materials, including to Plaintiff and the Class.

12 **SUBSTANTIVE ALLEGATIONS**

13 **I. THE OFFERING AND THE COMPANY'S MATERIALLY MISLEADING AND** 14 **INCOMPLETE REGISTRATION STATEMENT AND PROSPECTUS**

15 48. On or around August 5, 2015, Sunrun conducted the Offering, selling 17.9 million shares
 16 of Sunrun common stock at a price to the public of \$14.00 per share. Credit Suisse, Goldman Sachs, and
 17 Morgan Stanley acted as lead book-running managers for the Offering. Merrill Lynch and RBC acted as
 18 book-running managers and KeyBanc and SunTrust acted as co-managers for the Offering.

19 49. The Registration Statement was negligently prepared and, as a result, contained untrue
 20 statements of material facts or omitted to state the facts necessary to make the statements not misleading,
 21 and was not prepared in accordance with the rules and regulations governing its preparation. Given the
 22 Individual Defendants' interest is ensuring a favorably high offering price, it is hardly surprising that the
 23 Company's Registration Statement and Prospectus incorporated therein again presented a highly positive
 24 picture of the Company's business, performance, prospects, and products, while omitting crucial realities.

25 50. The Registration Statement stated the following regarding the Company's growth:

26 We are an innovator in bringing scalable new channels for customer acquisition and solar
 27 installation to market. Historically, our primary focus towards these efforts was in building
 28 out a leading, diversified partner network of solar sales and installation companies. These
 partners include local solar installation contractors, sales and lead generation companies

1 and large retailers that help us acquire customers and build solar energy systems, while we
2 own and manage the systems and the 20-year customer experience. The ecosystem we
3 built provides broad reach, positioning us for sustained and rapid growth through a capital
efficient business model. Our network of partners continues to thrive and expand today.

4 * * *

5 We have experienced substantial growth in our business and operations since our inception
6 in 2007. As of March 31, 2015, we operated the second largest fleet of residential solar
7 energy systems in the United States, with approximately 79,000 customers across 13 states.
8 We have deployed an aggregate of 430 megawatts ("MW") as of March 31, 2015. As of
9 March 31, 2015, our estimated nominal contracted payments remaining was approximately
10 \$1.71 billion, and our estimated retained value was \$1.1 billion. For the quarter ended
March 31, 2015, the average size of the solar energy systems we installed was over 7
kilowatts in production capacity. Our growth has occurred despite declining incentives.
For example, California, our largest market, has grown more than 10x between 2008 and
2014 even as proceeds from California and federal incentives have declined by
approximately \$3.00 per watt.

11 * * *

12 Our ability to connect specialized sales and installation firms on a single platform, which
13 we license to our solar partners at no cost, allows us to enjoy the benefits of vertical
14 integration without the additional fixed cost structure. This creates margin opportunities,
15 system efficiencies and benefits from network effects in matching these ecosystem
participants. In 2014, we delivered customer growth of over 50% compared to 2013
through our solar partnerships.

16 51. The Registration Statement states the following regarding its customer agreements and its
17 dependence on a low cost of capital:

18 Our customer agreements provide for recurring customer payments, typically over 20
19 years, and the related solar energy systems are generally eligible for ITCs, accelerated tax
20 depreciation and other government or utility incentives. Our financing strategy is to
21 monetize these benefits at a low weighted-average cost of capital. This low cost of capital
22 enables us to offer attractive pricing to our customers for the energy generated by the solar
23 energy system on their homes. Historically, we have monetized a portion of the value
24 created by our customer agreements and the related solar energy systems through
25 investment funds. These assets are attractive to fund investors due to the long-term,
26 recurring nature of the cash flows generated by our customer agreements, the high credit
27 scores of our customers, the fact that energy is a non-discretionary good and our low loss
28 rates. As of March 31, 2015, our average customer under a lease or PPA had a FICO score
of over 760 and we had collected approximately 99% of cumulative billings due from
customers. In addition, fund investors can receive attractive after-tax returns from our
investment funds due to their ability to utilize ITCs, accelerated depreciation and certain
government or utility incentives associated with the funds' ownership of solar energy
systems.

52. Unbeknownst to investors or the members of the Class, however, at the time of the Offering, Defendants failed to disclose that the Company was employing questionable sales tactics and was extremely overleveraged, particularly, using highly complex and illiquid financial instruments, and as such, its growth rate was not sustainable.

III. THE TRUTH BEGINS TO EMERGE

53. On October 23, 2015, a *SeekingAlpha* article entitled *Sunrun - Financial Weapon Of Mass Destruction In The Solar Industry* reported the following:

I view Sunrun's use of no-down payment solar lease to lure large amount of customers, its high debt leverage using highly complex and illiquid financial instrument, its failure to deliver returns above its cost of capital and the interest rate/solar policy risks as the main reasons for my negative view on the stock. I see this solar leasing company a financial weapon of mass destruction in the solar industry.

54. The article further noted Sunrun's high debt leverage and dependence on complex financial instruments for growth, stating that "[t]o address the company's long term interest rate risk, Sunrun started in 2015 to use interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the syndicated term loan is only a small portion of Sunrun's overall debt and financial hedges are expensive and create counterparty risk exposures." In addition, the article stated the following regarding the Company's use of complex financial instruments:

As a solar panel leasing company, Sunrun borrows capital for the short-term in order to lend capital over the long-term (solar lease are 20 years long). Therefore Sunrun faces significant long term interest rate risk as the short term loan is typically floating rate based on LIBOR + 3-5% while Sunrun's lease income is mostly fixed (2.2% annual escalator) over the 20 year term. Therefore, Sunrun faces greater long term credit and interest rate risk than a bank does. Like a bank, Sunrun extends credit to retail customers. Sunrun customers weighted average credit score is 759 (range 572-844). Unlike a bank, Sunrun writes 20-year fixed rate lease while banks mostly write short term, fixed-rate loans. Today, bank passes most of its long-term, 30-year mortgage loan to the US government (through Fannie Mae). To address the company's long term interest rate risk, Sunrun started in 2015 to use interest rate swap derivative to hedge variable interest payment due on its syndicate loans. But the syndicated term loan is only a small portion of Sunrun's overall debt and financial hedges are expensive and create counterparty risk exposures. For the majority of the fixed-rate term loan outstanding, Sunrun still faces significant re-finance risk as these loans mature and require renewal.

55. Further, the article stated the following regarding Sunrun's questionable business practices:

It was reported that Sunrun and its contractors use aggressive sales tactics to lure large amount of customers into 20-year energy purchase contracts. In the business review

1 website Yelp, customers have complained about Sunrun's use of questionable business
2 practices including providing misleading information, hidden fees, unilateral changes to
contracts and poor customer service.

3 56. On February 10, 2016, the Company reported weaker-than-expected 4Q 2015 results,
4 reporting lower-than-expected 272 MW installations for the quarter, while guiding to 1Q16 installations
5 of 180 MW.

6 57. Barclays analyst Jon Windham downgraded the rating of Sunrun noting the slowdown in
7 installation and the rising cost of funding. Windham also noted that Sunrun's guidance was not only lower
8 than the estimate of 214 MW, it was also below the Company's FY2016 guidance of 40% year-on-year
9 installation growth.

10 58. On March 11, 2016, Sunrun reported \$99.6 million and a 15-cent loss per share for Q4.
11 Sales rose 66% and losses shrunk compared to the year-earlier quarter. Notably, the Company plans to
12 install 285 MW of solar systems this year, a 40% increase over 2015, however, that is down from the 76%
13 growth in installations last year.

14 59. On the same day, an *Investor's Business Daily* article entitled *Sunrun Offers 'Draconian'*
15 *2016 View, Won't Gouge SolarCity Market* reported that "analysts worry about . . . Sunrun's narrowing
16 access to capital, given the market's volatility." The article also noted that "[f]or 2016, Sunrun sees 40%
17 growth in solar installations vs. Credit Suisse views for 78%, analyst Patrick Jobin wrote in a research
18 report." Jobin further noted that it's a rather "draconian scenario, considering the (Investment Tax Credit)
19 has been de facto extended through 2023 and most net-metering decisions are in favor of rooftop solar."

20 60. On this news, shares of Sunrun common stock fell from \$7.15 per share on March 10, 2016
21 to \$6.36 per share on March 31, 2016; a drop of over 11%.

22 61. In response to those disclosures, the Company's shares fell sharply, falling from the \$14.00
23 issuing price to a closing price on April 19, 2016 of \$7.02; a staggering drop of 49%.

24 **PLAINTIFFS' CLASS ACTION ALLEGATIONS**

25 62. Plaintiffs bring this action as a class action on behalf of a Class, consisting of all those who
26 purchased the Company's preferred stock pursuant or traceable to the Company's Offering and
27 Registration Statement and who were damaged thereby (the "Class"). Excluded from the Class are
28

1 Defendants; the officers and directors of the Company at all relevant times; members of their immediate
2 families and their legal representatives, heirs, successors, or assigns; and any entity in which Defendants
3 have or had a controlling interest.

4 63. The members of the Class are so numerous that joinder of all members is impracticable.
5 While the exact number of Class members is unknown to Plaintiffs at this time and can only be ascertained
6 through appropriate discovery, Plaintiffs believe that there are thousands of members of the proposed
7 Class. The members of the proposed Class may be identified from records maintained by the Company
8 or its transfer agent, and may be notified of the pendency of this action by mail, using customary forms of
9 notice that are commonly used in securities class actions.

10 64. Plaintiffs' claims are typical of the claims of the members of the Class, as all members of
11 the Class are similarly affected by Defendants' wrongful conduct.

12 65. Plaintiffs will fairly and adequately protect the interests of the members of the Class and
13 have retained counsel competent and experienced in class and securities litigation.

14 66. Common questions of law and fact exist as to all members of the Class and predominate
15 over any questions solely affecting individual members of the Class. Among the questions of law and fact
16 common to the Class are:

- 17 a. whether the federal securities laws were violated by Defendants' acts as alleged
18 herein;
- 19 b. whether the Prospectus and Registration Statement contained materially false and
20 misleading statements and omissions; and
- 21 c. to what extent Plaintiffs and members of the Class have sustained damages and the
proper measure of damages.

22 67. A class action is superior to all other available methods for the fair and efficient
23 adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the
24 damages suffered by individual Class members may be relatively small, the expense and burden of
25 individual litigation make it impossible for members of the Class to individually redress the wrongs done
26 to them. There will be no difficulty in the management of this action as a class action.

FIRST CLAIM
Violations of §11 of the Securities Act
Against All Defendants

68. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth herein.

69. This Claim is brought pursuant to §11 of the Securities Act, 15 U.S.C. §77k, on behalf of the Class, against each of the Defendants.

70. The Registration Statement was inaccurate and misleading, contained untrue statements of material facts, omitted facts necessary to make the statements made therein not misleading, and omitted to state material facts required to be stated therein.

71. The Company is the issuer of the securities purchased by Plaintiffs and the Class. As such, the Company is strictly liable for the materially inaccurate statements contained in the Registration Statement and the failure of the Registration Statement to be complete and accurate.

72. The Individual Defendants each signed the Registration Statement. As such, each is strictly liable for the materially inaccurate statements contained in the Registration Statement and the failure of the Registration Statement to be complete and accurate, unless they are able to carry their burden of establishing an affirmative “due diligence” defense. The Individual Defendants each had a duty to make a reasonable and diligent investigation of the truthfulness and accuracy of the statements contained in the Registration Statement, to ensure that they were true and accurate, that there were no omissions of material facts that would make the Registration Statement misleading, and that the document contained all facts required to be stated therein. In the exercise of reasonable care, the Individual Defendants should have known of the material misstatements and omissions contained in the Registration Statement and also should have known of the omissions of material fact necessary to make the statements made therein not misleading. Accordingly, the Individual Defendants are liable to Plaintiffs and the Class.

73. By reasons of the conduct herein alleged, each Defendant violated §11 of the Securities Act.

74. Plaintiffs acquired the Company’s common stock pursuant or traceable to the Registration Statement, and without knowledge of the untruths and/or omissions alleged herein. Plaintiffs sustained

1 damages, and the price of the Company's common stock declined substantially due to material
2 misstatements in the Registration Statement.

3 75. This claim was brought within one year after the discovery of the untrue statements and
4 omissions and within three years of the date of the Offering.

5 76. By virtue of the foregoing, Plaintiffs and the other members of the Class are entitled to
6 damages under §11 as measured by the provisions of §11(e), from the Defendants and each of them, jointly
7 and severally.

8
9 **SECOND CLAIM**
Violations of §12(a)(2) of the Securities Act
Against All Defendants

10 77. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth
11 herein.

12 78. Defendants were sellers, offerors, and/or solicitors of purchasers of the Company's
13 securities offered pursuant to the Offering. Defendants issued, caused to be issued, and signed the
14 Registration Statement in connection with the Offering. The Registration Statement was used to induce
15 investors, such as Plaintiffs and the other members of the Class, to purchase the Company's shares.

16 79. The Registration Statement contained untrue statements of material facts, omitted to state
17 other facts necessary to make the statements made not misleading, and omitted material facts required to
18 be stated therein. Defendants' acts of solicitation included participating in the preparation of the false and
19 misleading Registration Statement.

20 80. As set forth more specifically above, the Registration Statement contained untrue
21 statements of material facts and omitted to state material facts necessary in order to make the statements,
22 in light of circumstances in which they were made, not misleading.

23 81. Plaintiffs and the other Class members did not know, nor could they have known, of the
24 untruths or omissions contained in the Registration Statement.

25 82. The Defendants were obligated to make a reasonable and diligent investigation of the
26 statements contained in the Registration Statement to ensure that such statements were true and that there
27 was no omission of material fact required to be stated in order to make the statements contained therein
28

1 not misleading. None of the Defendants made a reasonable investigation or possessed reasonable grounds
2 for the belief that the statements contained in the Registration Statement were accurate and complete in
3 all material respects. Had they done so, these Defendants could have known of the material misstatements
4 and omissions alleged herein.

5 83. This claim was brought within one year after discovery of the untrue statements and
6 omissions in the Registration Statement and within three years after the Company's shares were sold to
7 the Class in connection with the Offering.

8 **THIRD CLAIM**
9 **For Violations of §15 of the Securities Act**
10 **Against the Individual Defendants**

11 84. Plaintiffs repeat and reallege each and every allegation contained above as if fully set forth
12 herein.

13 85. The Individual Defendants were controlling persons of the Company within the meaning
14 of §15 of the Securities Act. By reason of their ownership interest in, senior management positions at,
15 and/or directorships held at the Company, as alleged above, these Defendants invest in, individually and
16 collectively, had the power to influence, and exercised the same, over the Company to cause it to engage
17 in the conduct complained of herein. By reason of such conduct, the Individual Defendants are liable
18 pursuant to §15 of the Securities Act.

19 86. By reason of such wrongful conduct, the Individual Defendants are liable pursuant to §15
20 of the Securities Act. As a direct and proximate result of the wrongful conduct, Class members suffered
21 damages in connection with their purchases of the Company's shares.

22 **REQUEST FOR RELIEF**

23 WHEREFORE, Plaintiffs pray for judgment as follows:

24 A. Declaring this action to be a proper class action and certifying Plaintiffs as Class
25 representatives;

26 B. Awarding Plaintiffs and the other members of the Class compensatory damages;
27
28

1 C. Awarding Plaintiffs and the other members of the Class rescission on their §12(a)(2)
2 claims;

3 D. Awarding Plaintiffs and the other members of the Class pre-judgment and post-judgment
4 interest, as well as reasonable attorneys' fees, expert witness fees, and other costs and disbursements; and
5

6 E. Awarding Plaintiffs and the other members of the Class such other and further relief as the
7 Court may deem just and proper.

8 **JURY TRIAL DEMANDED**

9 Plaintiffs hereby demand a trial by jury.

10 DATED: April 21, 2016

11 **SCOTT+SCOTT, ATTORNEYS AT LAW, LLP**

12 
13 _____
14 JOHN T. JASNOCH (CA BAR NO. 281605)
15 707 Broadway, Suite 1000
16 San Diego, CA 92101
17 Telephone: (619) 233-4565
18 Facsimile: (619) 233-0508
19 jjasnoch@scott-scott.com
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1 Joseph V. Halloran (CA BAR NO. 288617)
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3 The Chrysler Building
4 405 Lexington Avenue, 40th Floor
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*Attorneys for Plaintiffs George Cohen, David Moss, and
Roxanne Xenakis*

APPROPRIATE DISPUTE RESOLUTION INFORMATION SHEET

SUPERIOR COURT OF CALIFORNIA, SAN MATEO COUNTY

In addition to the court provided voluntary and mandatory settlement conferences, this court has established, in partnership with the community and Bar Association, the Multi-Option ADR Project. Recognizing that many civil disputes can be resolved without the time and expense of traditional civil litigation, the San Mateo County Superior Court encourages the parties in civil cases to explore and pursue the use of Appropriate Dispute Resolution

WHAT IS APPROPRIATE DISPUTE RESOLUTION?

Appropriate Dispute Resolution (ADR) is the general term applied to a wide variety of dispute resolution processes which are alternatives to lawsuits. Types of ADR processes include arbitration, mediation, neutral evaluation, mini-trials, settlement conferences, private judging, negotiation, and hybrids of these processes. All ADR processes offer a partial or complete alternative to traditional court litigation for resolving disputes.

WHAT ARE THE ADVANTAGES OF USING ADR?

ADR can have a number of advantages over traditional court litigation.

- **ADR can save time.** Even in a complex case, a dispute can be resolved through ADR in a matter of months or weeks, while a lawsuit can take years.
- **ADR can save money.** By producing earlier settlements, ADR can save parties and courts money that might otherwise be spent on litigation costs (attorney's fees and court expenses).
- **ADR provides more participation.** Parties have more opportunity with ADR to express their own interests and concerns, while litigation focuses exclusively on the parties' legal rights and responsibilities.
- **ADR provides more control and flexibility.** Parties can choose the ADR process most appropriate for their particular situation and that will best serve their particular needs.
- **ADR can reduce stress and provide greater satisfaction.** ADR encourages cooperation and communication, while discouraging the adversarial atmosphere found in litigation. Surveys of disputants who have gone through ADR have found that satisfaction with ADR is generally high, especially among those with extensive ADR experience.

Arbitration, Mediation, and Neutral Evaluation

Although there are many different types of ADR processes, the forms most commonly used to resolve disputes in California State courts are Arbitration, Mediation and Neutral Evaluation. The Multi-Option ADR Project a partnership of the Court, Bar and Community offers pre-screened panelists with specialized experience and training in each of these areas.

Arbitration: An arbitrator hears evidence presented by the parties, makes legal rulings, determines facts and makes an arbitration award. Arbitration awards may be entered as

judgments in accordance with the agreement of the parties or, where there is no agreement, in accordance with California statutes. Arbitrations can be binding or non-binding, as agreed by the parties in writing.

Mediation: Mediation is a voluntary, informal, confidential process in which the mediator, a neutral third party, facilitates settlement negotiations. The mediator improves communication by and among the parties, helps parties clarify facts, identify legal issues, explore options and arrive at a mutually acceptable resolution of the dispute.

Neutral Evaluation: Involves presentations to a neutral third party with subject matter expertise who may render an opinion about the case the strengths and weaknesses of the positions, the potential verdict regarding liability, and a possible range for damages.

CIVIL ADR PROCEDURES FOR THE SAN MATEO COUNTY SUPERIOR COURT

- Upon filing a Complaint, the Plaintiff will receive this **information sheet** from the Superior Court Clerk. Plaintiff is expected to include this information sheet when he or she **serves the Complaint** on the Defendant.
- All parties to the dispute may voluntarily agree to take the matter to an ADR process. A stipulation is provided here. Parties chose and contact their own ADR provider. A Panelist List is available online.
- If the parties have not agreed to use an ADR process, an initial Case Management Conference ("CMC") will be scheduled within 120 days of the filing of the Complaint. An **original and copy of the Case Management Conference Statement must be completed and provided to the court clerk no later than 15 days prior to the scheduled conference**. The San Mateo County Superior Court Case Management Judges will strongly encourage all parties and their counsel to consider and utilize ADR procedures and/or to meet with the ADR director and staff where appropriate.
- If the parties voluntarily agree to ADR, the parties will be required to sign and file a **Stipulation and Order to ADR**.
- A timely filing of a stipulation (at least 10 days prior to the CMC) will cause a notice to vacate the CMC. ADR stipulated cases (other than judicial arbitration) will be continued for further ADR/Case Management status review in 90 days. If the case is resolved through ADR, the status review date may be vacated if the court receives a dismissal or judgment. The court may upon review of case information suggest to parties an ADR referral to discuss matters related to case management, discovery and ADR.
- Any ADR Services shall be paid for by the parties pursuant to a separate ADR fee agreement. The ADR Director may screen appropriate cases for financial aid where a party is indigent.
- Local Court Rules require your cooperation in evaluating the ADR Project and will expect a brief evaluation form to be completed and submitted **within 10 days of completion of the process**.

You can find ADR forms on the ADR webpage: www.sanmateocourt.org/adr. For more information contact the Multi-Option ADR Project at (650) 261-5075 or 261-5076.



SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO
MULTI OPTION ADR PROJECT
HALL OF JUSTICE AND RECORDS
400 COUNTY CENTER
REDWOOD CITY, CALIFORNIA 94063

ADR Stipulation and Evaluation Instructions

In accordance with **Local Rule 2.3(i)(3)**, all parties going to ADR must complete a Stipulation and Order to ADR and file it with the Clerk of the Superior Court. The Office of the Clerk is located at:

Clerk of the Superior Court, Civil Division
Attention: Case Management Conference Clerk
Superior Court of California, County of San Mateo
400 County Center
Redwood City, CA 94063-1655

There is no filing fee for filing the stipulation. An incomplete stipulation will be returned to the parties by the Clerk's Office. All stipulations must include the following:

- ☐ Original signatures for all attorneys (and/or parties in pro per);
- ☐ The name of the neutral;
- ☐ Date of the ADR session; and
- ☐ Service List (Counsel need not serve the stipulation on parties).

Parties mutually agree on a neutral and schedule ADR sessions directly with the neutral. If parties would like a copy of the court's Civil ADR Program Panelist List and information sheets on individual panelists, they may visit the court's website at www.sanmateocourt.org/adr.

If Filing the Stipulation Prior to an Initial Case Management Conference

To stipulate to ADR prior to the initial case management conference, parties must file a completed stipulation at least 10 days before the scheduled case management conference. The clerk will send notice of a new case management conference date approximately 90 days from the current date to allow time for the ADR process to be completed.

If Filing Stipulation Following a Case Management Conference

When parties come to an agreement at a case management conference to utilize ADR, they have 21 days from the date of the case management conference to file a Stipulation and Order to ADR with the court [**Local Rule 2.3(i)(3)**].

Post-ADR Session Evaluations

Local Rule 2.3(i)(5) requires submission of post-ADR session evaluations within 10 days of completion of the ADR process. Evaluations are to be filled out by both attorneys and clients. A copy of the Evaluation By Attorneys and Client Evaluation are attached to the Civil ADR Program Panelist List or can be downloaded from the court's web site.

Non-Binding Judicial Arbitration

Names and dates are not needed for stipulations to judicial arbitration. The Judicial Arbitration Administrator will send a list of names to parties once a stipulation has been submitted.

For further information regarding San Mateo Superior Court's Civil ADR and Judicial Arbitration Programs, visit the Court's website at www.sanmateocourt.org/adr or contact the ADR offices at (650) 261-5075 or (650) 261-5076.

Attorney or Party without Attorney (Name, Address, Telephone, Fax, State Bar membership number):	Court Use Only
SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO Hall of Justice and Records 400 County Center Redwood City, CA 94063-1655 (650) 363-4711	
Plaintiff(s):	Case number:
Defendant(s):	Current CMC Date:

STIPULATION AND ORDER TO APPROPRIATE DISPUTE RESOLUTION

Plaintiff will file this stipulation with the Clerk's Office 10 days prior to or 3 weeks following the first Case Management Conference unless directed otherwise by the Court and ADR Director [*Local Rule 2.3(i)(3)*]. Please attach a Service List.

The parties hereby stipulate that all claims in this action shall be submitted to (select one):

- ☐ Voluntary Mediation
 ☐ Binding Arbitration (private)
 ☐ Neutral Evaluation
 ☐ Settlement Conference (private)
 ☐ Non-Binding Judicial Arbitration CCP 1141.12
 ☐ Summary Jury Trial
 ☐ Other: _____

Case Type: _____

Neutral's name and telephone number: _____ Date of session: _____

(Required for continuance of CMC except for non-binding judicial arbitration)

Identify by name the parties to attend ADR session: _____

Original Signatures

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

Type or print name of ☐ Party without attorney ☐ Attorney for
☐ Plaintiff/Petitioner ☐ Defendant/Respondent/Contestant

 (Signature)
 Attorney or Party without attorney

IT IS SO ORDERED:

Date:

 Judge of the Superior Court of San Mateo County

INSTRUCTIONS: All applicable boxes must be checked, and the specified information must be provided.

- Page 1 of 5
Cal. Rules of Court,
rules 3.720–3.730
www.courts.ca.gov

CM-110

PLAINTIFF/PETITIONER:	CASE NUMBER:
DEFENDANT/RESPONDENT:	

4. b. Provide a brief statement of the case, including any damages. *(If personal injury damages are sought, specify the injury and damages claimed, including medical expenses to date [indicate source and amount], estimated future medical expenses, lost earnings to date, and estimated future lost earnings. If equitable relief is sought, describe the nature of the relief.)*

☐ *(If more space is needed, check this box and attach a page designated as Attachment 4b.)*

5. **Jury or nonjury trial**

The party or parties request ☐ a jury trial ☐ a nonjury trial. *(If more than one party, provide the name of each party requesting a jury trial):*

6. **Trial date**

a. ☐ The trial has been set for *(date)*:

b. ☐ No trial date has been set. This case will be ready for trial within 12 months of the date of the filing of the complaint *(if not, explain)*:

c. Dates on which parties or attorneys will not be available for trial *(specify dates and explain reasons for unavailability)*:

7. **Estimated length of trial**

The party or parties estimate that the trial will take *(check one)*:

a. ☐ days *(specify number)*:

b. ☐ hours (short causes) *(specify)*:

8. **Trial representation (to be answered for each party)**

The party or parties will be represented at trial ☐ by the attorney or party listed in the caption ☐ by the following:

a. Attorney:

b. Firm:

c. Address:

d. Telephone number:

f. Fax number:

e. E-mail address:

g. Party represented:

☐ Additional representation is described in Attachment 8.

9. **Preference**

☐ This case is entitled to preference *(specify code section)*:

10. **Alternative dispute resolution (ADR)**

a. **ADR information package.** Please note that different ADR processes are available in different courts and communities; read the ADR information package provided by the court under rule 3.221 for information about the processes available through the court and community programs in this case.

(1) For parties represented by counsel: Counsel ☐ has ☐ has not provided the ADR information package identified in rule 3.221 to the client and reviewed ADR options with the client.

(2) For self-represented parties: Party ☐ has ☐ has not reviewed the ADR information package identified in rule 3.221.

b. **Referral to judicial arbitration or civil action mediation (if available).**

(1) ☐ This matter is subject to mandatory judicial arbitration under Code of Civil Procedure section 1141.11 or to civil action mediation under Code of Civil Procedure section 1775.3 because the amount in controversy does not exceed the statutory limit.

(2) ☐ Plaintiff elects to refer this case to judicial arbitration and agrees to limit recovery to the amount specified in Code of Civil Procedure section 1141.11.

(3) ☐ This case is exempt from judicial arbitration under rule 3.811 of the California Rules of Court or from civil action mediation under Code of Civil Procedure section 1775 et seq. *(specify exemption)*:

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PLAINTIFF/PETITIONER:	CASE NUMBER:
DEFENDANT/RESPONDENT:	

10. c. Indicate the ADR process or processes that the party or parties are willing to participate in, have agreed to participate in, or have already participated in (*check all that apply and provide the specified information*):

	The party or parties completing this form are willing to participate in the following ADR processes (<i>check all that apply</i>):	If the party or parties completing this form in the case have agreed to participate in or have already completed an ADR process or processes, indicate the status of the processes (<i>attach a copy of the parties' ADR stipulation</i>):
(1) Mediation	<input type="checkbox"/>	<input type="checkbox"/> Mediation session not yet scheduled <input type="checkbox"/> Mediation session scheduled for (date): <input type="checkbox"/> Agreed to complete mediation by (date): <input type="checkbox"/> Mediation completed on (date):
(2) Settlement conference	<input type="checkbox"/>	<input type="checkbox"/> Settlement conference not yet scheduled <input type="checkbox"/> Settlement conference scheduled for (date): <input type="checkbox"/> Agreed to complete settlement conference by (date): <input type="checkbox"/> Settlement conference completed on (date):
(3) Neutral evaluation	<input type="checkbox"/>	<input type="checkbox"/> Neutral evaluation not yet scheduled <input type="checkbox"/> Neutral evaluation scheduled for (date): <input type="checkbox"/> Agreed to complete neutral evaluation by (date): <input type="checkbox"/> Neutral evaluation completed on (date):
(4) Nonbinding judicial arbitration	<input type="checkbox"/>	<input type="checkbox"/> Judicial arbitration not yet scheduled <input type="checkbox"/> Judicial arbitration scheduled for (date): <input type="checkbox"/> Agreed to complete judicial arbitration by (date): <input type="checkbox"/> Judicial arbitration completed on (date):
(5) Binding private arbitration	<input type="checkbox"/>	<input type="checkbox"/> Private arbitration not yet scheduled <input type="checkbox"/> Private arbitration scheduled for (date): <input type="checkbox"/> Agreed to complete private arbitration by (date): <input type="checkbox"/> Private arbitration completed on (date):
(6) Other (<i>specify</i>):	<input type="checkbox"/>	<input type="checkbox"/> ADR session not yet scheduled <input type="checkbox"/> ADR session scheduled for (date): <input type="checkbox"/> Agreed to complete ADR session by (date): <input type="checkbox"/> ADR completed on (date):

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PLAINTIFF/PETITIONER:	CASE NUMBER:
DEFENDANT/RESPONDENT:	

11. Insurance

- a. ☐ Insurance carrier, if any, for party filing this statement (*name*):
- b. Reservation of rights: ☐ Yes ☐ No
- c. ☐ Coverage issues will significantly affect resolution of this case (*explain*):

12. Jurisdiction

Indicate any matters that may affect the court's jurisdiction or processing of this case and describe the status.

☐ Bankruptcy ☐ Other (*specify*):

Status:

13. Related cases, consolidation, and coordination

- a. ☐ There are companion, underlying, or related cases.
- (1) Name of case:
- (2) Name of court:
- (3) Case number:
- (4) Status:
- ☐ Additional cases are described in Attachment 13a.
- b. ☐ A motion to ☐ consolidate ☐ coordinate will be filed by (*name party*):

14. Bifurcation

- ☐ The party or parties intend to file a motion for an order bifurcating, severing, or coordinating the following issues or causes of action (*specify moving party, type of motion, and reasons*):

15. Other motions

- ☐ The party or parties expect to file the following motions before trial (*specify moving party, type of motion, and issues*):

16. Discovery

- a. ☐ The party or parties have completed all discovery.
- b. ☐ The following discovery will be completed by the date specified (*describe all anticipated discovery*):
- | <u>Party</u> | <u>Description</u> | <u>Date</u> |
|--------------|--------------------|-------------|
|--------------|--------------------|-------------|

- c. ☐ The following discovery issues, including issues regarding the discovery of electronically stored information, are anticipated (*specify*):

CM-110

PLAINTIFF/PETITIONER: _____	CASE NUMBER:
DEFENDANT/RESPONDENT: _____	

17. Economic litigation

- a. ☐ This is a limited civil case (i.e., the amount demanded is \$25,000 or less) and the economic litigation procedures in Code of Civil Procedure sections 90-98 will apply to this case.
- b. ☐ This is a limited civil case and a motion to withdraw the case from the economic litigation procedures or for additional discovery will be filed *(if checked, explain specifically why economic litigation procedures relating to discovery or trial should not apply to this case)*:

18. Other issues

- ☐ The party or parties request that the following additional matters be considered or determined at the case management conference *(specify)*:

19. Meet and confer

- a. ☐ The party or parties have met and conferred with all parties on all subjects required by rule 3.724 of the California Rules of Court *(if not, explain)*:
- b. After meeting and conferring as required by rule 3.724 of the California Rules of Court, the parties agree on the following *(specify)*:

20. Total number of pages attached *(if any)*: _____

I am completely familiar with this case and will be fully prepared to discuss the status of discovery and alternative dispute resolution, as well as other issues raised by this statement, and will possess the authority to enter into stipulations on these issues at the time of the case management conference, including the written authority of the party where required.

Date:

(TYPE OR PRINT NAME)



(SIGNATURE OF PARTY OR ATTORNEY)

(TYPE OR PRINT NAME)



(SIGNATURE OF PARTY OR ATTORNEY)

☐ Additional signatures are attached.

SUPERIOR COURT OF CALIFORNIA COUNTY OF SAN MATEO



LOCAL COURT RULES

**As Amended
Effective January 1, 2015**

**SUPERIOR COURT OF CALIFORNIA, COUNTY OF SAN MATEO
Hall of Justice and Records
400 County Center, 2nd Floor
Redwood City, California 94063**

Superior Court of California, County of San Mateo

RULE NUMBERS 2.23 TO 2.29 ARE RESERVED

CHAPTER 7. COMPLEX CASES

Rule 2.30 Determination of Complex Case Designation.

A. Decision of Complex Case to be Made by Presiding Judge

The Presiding Judge shall decide whether an action is a complex case within the meaning of California Rules of Court, Rule 3.400, subdivision (a), and whether it should be assigned to a single judge for all purposes. All status conferences or other hearings regarding whether an action should be designated as complex and receive a singly assigned judge shall be set in the Presiding Judge's department.

B. Provisional Designation.

An action is provisionally a complex case if it involves one or more of the following types of claims: (1) antitrust or trade regulation claims; (2) construction defect claims involving many parties or structures; (3) securities claims or investment losses involving many parties; (4) environmental or toxic tort claims involving many parties; (5) claims involving massive torts; (6) claims involving class actions; or (7) insurance coverage claims arising out of any of the claims listed in subdivisions (1) through (6).

The Court shall treat a provisionally complex action as a complex case until the Presiding Judge has the opportunity to decide whether the action meets the definition in California Rules of Court, Rule 3.400, subdivision (a).

C. Application to Designate or Counter-Designate an Action as a Complex Case.

Any party who files either a Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.401) or a counter or joinder Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.402, subdivision (b) or (c)), designating an action as a complex case in Items 1, 2 and/or 5, must also file an accompanying Certificate Re: Complex Case Designation in the form prescribed by the Court. The certificate must include supporting information showing a reasonable basis for the complex case designation being sought. Such supporting information may include, without limitation, a brief description of the following factors as they pertain to the particular action:

- (1) Management of a large number of separately represented parties;
- (2) Complexity of anticipated factual and/or legal issues;
- (3) Numerous pretrial motions that will be time-consuming to resolve;
- (4) Management of a large number of witnesses or a substantial amount of documentary evidence;
- (5) Coordination with related actions pending in one or more courts in other counties, states or countries or in a federal court;
- (6) Whether or not certification of a putative class action will in fact be pursued; and
- (7) Substantial post-judgment judicial supervision.

A copy of the Certificate Re: Complex Case Designation must be served on all opposing parties. Any certificate filed by a plaintiff shall be served along with the initial service of copies of the Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.401), summons, and complaint in the action. Any certificate filed by a defendant shall be served together with the service of copies of the counter or

Superior Court of California, County of San Mateo

joinder Civil Case Cover Sheet (pursuant to California Rules of Court, Rule 3.402, subdivision (b) or (c)) and the initial first appearance pleading(s).

D. Noncomplex Counter-Designation.

If a Civil Case Cover Sheet designating an action as a complex case and the accompanying Certificate Re: Complex Case Designation has been filed and served and the Court has not previously declared the action to be a complex case, a defendant may file and serve no later than its first appearance a counter Civil Case Cover Sheet designating the action as not a complex case. Any defendant who files such a noncomplex counter-designation must also file and serve an accompanying Certificate Re: Complex Case Designation in the form prescribed by this Court and setting forth supporting information showing a reasonable basis for the noncomplex counter-designation being sought.

Once the Court has declared the action to be a complex case, any party seeking the Presiding Judge's decision that the action is not a complex case must file a noticed motion pursuant to Section H below.

E. Decision by Presiding Judge on Complex Case Designation; Early Status Conference.

If a Civil Case Cover Sheet designating an action as a complex case and the accompanying Certificate Re: Complex Case Designation have been filed and served, the Presiding Judge shall decide as soon as reasonably practicable, with or without a hearing, whether the action is a complex case and should be assigned to a single judge for all purposes.

Upon the filing of a Civil Case Cover Sheet designating an action as a complex case and the accompanying Certificate Re: Complex Case Designation, the Clerk of the Court shall set a status conference at which the Presiding Judge shall decide whether or not the action is a complex case. This status conference shall be held no later than (a) 60 days after the filing of a Civil Case Cover Sheet by a plaintiff (pursuant to California Rules of Court, Rule 3.401) or (b) 30 days after the filing of a counter Civil Case Cover Sheet by a defendant (pursuant to California Rules of Court, Rule 3.402, subdivision (a) or (b)), whichever date is earlier.

Alternatively, in his or her sole discretion, the Presiding Judge may make the decision on complex case designation and single assignment, without a status conference, based upon the filed Civil Case Cover Sheet and accompanying Certificate Re: Complex Case Designation alone.

F. Notice.

The party who seeks a complex case designation or a noncomplex counter-designation must give reasonable notice of the status conference to the opposing party or parties in the action even if they have not yet made a first appearance in the action. Such notice of the status conference shall be given in the same manner as is required for ex parte applications pursuant to California Rule of Court, Rule 379.

G. Representations to the Court.

By presenting to the Court a Certificate Re: Complex Case Designation, an attorney or unrepresented party is certifying to the best of that person's knowledge, information, and belief, formed after reasonable inquiry under the circumstances:

- (1) That the complex case designation or noncomplex counter-designation is not being presented for any improper purpose, such as to harass or to cause unnecessary delay or needless increase in the cost of litigation;

Superior Court of California, County of San Mateo

- (2) That the claims, defenses, or other legal contentions referenced therein are warranted by existing law or by a non-frivolous argument for the extension, modification, or reversal of existing law or the establishment of new law;
- (3) That the statement of supporting information relevant to the complex case designation or noncomplex counter-designation have evidentiary support or are believed, in good faith, likely to have evidentiary support after a reasonable opportunity for further investigation or discovery; and
- (4) That there is a reasonable basis for that party's complex case designation or noncomplex counter-designation.

If, after notice and a reasonable opportunity to be heard, the Court determines that this subpart has been violated; the Court may impose an appropriate sanction upon the attorneys, law firms, or self-represented parties that have violated this subpart.

H. The Presiding Judge's Continuing Power.

With or without a hearing, the Presiding Judge may decide, on his or her own motion or on a noticed motion by any party, that a civil action is a complex case or that an action previously declared to be a complex case is not a complex case.

I. Pilot Program; Sunset Provision. (Repealed, effective 1/1/2007).

(Adopted, effective July 1, 2004)(Amended, effective July 1, 2005) (Amended, effective January 1, 2006)(Amended, effective January 1, 2007)

RULE NUMBERS 2.31 TO 2.35 ARE RESERVED

CHAPTER 8. ACCESS TO COURT RECORDS

Rule 2.36 Public Access and Privacy

Please reference. California Rules of Court, Rule 1.20.

(Adopted, effective January 1, 2008)

Rule 2.37 Public Access.

Exhibits or attachments to a document that are filed or lodged with or otherwise presented to the court, that are not otherwise marked as confidential or sealed, may be subject to public viewing and access either at the courthouse or electronically on-line (California Rules of Court, Rule 2.503, et seq.).

(Adopted, effective January 1, 2008)

Rule 2.38 Electronic Access.

Documents that are part of a court record are reasonably made available to the public electronically under the Court's Electronic Imaging program as permitted by California Rules of Court, Rules 2.500, et seq. Documents that are not properly protected by being marked confidential or sealed by court order may be subject to public access as discussed in Rule 2.38.

(Adopted, effective January 1, 2008)

Superior Court of California, County of San Mateo

TO (insert name of party being served): Edward Fenster

If you are being served on behalf of a corporation, an unincorporated association (including a partnership), or other entity, this form must be signed by you in the name of such entity or by a person authorized to receive service of process on behalf of such entity. In all other cases, this form must be signed by you personally or by a person authorized by you to acknowledge receipt of summons. If you return this form to the sender, service of a summons is deemed complete on the day you sign the acknowledgment of receipt below.

(TYPE OR PRINT NAME)

(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

Civil Cover Sheet; Certificate Re Complex Case Designation; Notice of Case Management Conference; Appropriate Dispute Resolution Information Sheet; ADR Stipulation and Evaluation Instructions; Case Management Statement (blank); Division II Court Rules

Date this form is signed:

(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)

TO (insert name of party being served): Lynn Jurich

The summons and other documents identified below are being served pursuant to section 415.30 of the California Code of Civil Procedure. Your failure to complete this form and return it within 20 days from the date of mailing shown below may subject you (or the party on whose behalf you are being served) to liability for the payment of any expenses incurred in serving a summons on you in any other manner permitted by law.

If you are being served on behalf of a corporation, an unincorporated association (including a partnership), or other entity, this form must be signed by you in the name of such entity or by a person authorized to receive service of process on behalf of such entity. In all other cases, this form must be signed by you personally or by a person authorized by you to acknowledge receipt of summons. If you return this form to the sender, service of a summons is deemed complete on the day you sign the acknowledgment of receipt below.

John T. Jasnoch

(TYPE OR PRINT NAME)

(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

This acknowledges receipt of *(to be completed by sender before mailing)*:

1. ☒ A copy of the summons and of the complaint.
2. ☒ Other (specify): _____

Civil Cover Sheet; Certificate Re Complex Case Designation; Notice of Case Management Conference; Appropriate Dispute Resolution Information Sheet; ADR Stipulation and Evaluation Instructions; Case Management Statement (blank); Division II Court Rules

(To be completed by recipient):

Date this form is signed:

(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)

TO (insert name of party being served): Jameson McJunkin

Date of mailing: April 27, 2016

John T. Jasnoch

(TYPE OR PRINT NAME)

(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

1. ☒ A copy of the summons and of the complaint.

2. ☒ Other (specify):

Civil Cover Sheet; Certificate Re Complex Case Designation; Notice of Case Management Conference; Appropriate Dispute Resolution Information Sheet; ADR Stipulation and Evaluation Instructions; Case Management Statement (blank); Division II Court Rules

(To be completed by recipient):

Date this form is signed:

(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)

TO (insert name of party being served): Gerald Risk

The summons and other documents identified below are being served pursuant to section 415.30 of the California Code of Civil Procedure. Your failure to complete this form and return it within 20 days from the date of mailing shown below may subject you (or the party on whose behalf you are being served) to liability for the payment of any expenses incurred in serving a summons on you in any other manner permitted by law.

If you are being served on behalf of a corporation, an unincorporated association (including a partnership), or other entity, this form must be signed by you in the name of such entity or by a person authorized to receive service of process on behalf of such entity. In all other cases, this form must be signed by you personally or by a person authorized by you to acknowledge receipt of summons. If you return this form to the sender, service of a summons is deemed complete on the day you sign the acknowledgment of receipt below.

John T. Jasnoch

(TYPE OR PRINT NAME)

(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

This acknowledges receipt of *(to be completed by sender before mailing)*:

1. ☒ A copy of the summons and of the complaint.
2. ☒ Other (specify): _____

Civil Cover Sheet; Certificate Re Complex Case Designation; Notice of Case Management Conference; Appropriate Dispute Resolution Information Sheet; ADR Stipulation and Evaluation Instructions; Case Management Statement (blank); Division II Court Rules

(To be completed by recipient):

Date this form is signed:

(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)

TO (insert name of party being served): Richard Wong

The summons and other documents identified below are being served pursuant to section 415.30 of the California Code of Civil Procedure. Your failure to complete this form and return it within 20 days from the date of mailing shown below may subject you (or the party on whose behalf you are being served) to liability for the payment of any expenses incurred in serving a summons on you in any other manner permitted by law.

If you are being served on behalf of a corporation, an unincorporated association (including a partnership), or other entity, this form must be signed by you in the name of such entity or by a person authorized to receive service of process on behalf of such entity. In all other cases, this form must be signed by you personally or by a person authorized by you to acknowledge receipt of summons. If you return this form to the sender, service of a summons is deemed complete on the day you sign the acknowledgment of receipt below.

Date of mailing: April 27, 2016

John T. Jasnoch

(TYPE OR PRINT NAME)

(SIGNATURE OF SENDER—MUST NOT BE A PARTY IN THIS CASE)

This acknowledges receipt of *(to be completed by sender before mailing)*:

1. ☒ A copy of the summons and of the complaint.
2. ☒ Other (specify): _____

Civil Cover Sheet; Certificate Re Complex Case Designation; Notice of Case Management Conference; Appropriate Dispute Resolution Information Sheet; ADR Stipulation and Evaluation Instructions; Case Management Statement (blank); Division II Court Rules

(To be completed by recipient):

Date this form is signed:

(TYPE OR PRINT YOUR NAME AND NAME OF ENTITY, IF ANY,
ON WHOSE BEHALF THIS FORM IS SIGNED)

(SIGNATURE OF PERSON ACKNOWLEDGING RECEIPT, WITH TITLE IF
ACKNOWLEDGMENT IS MADE ON BEHALF OF ANOTHER PERSON OR ENTITY)